

**STATE AFFAIRS COMMITTEE**  
**ADMINISTRATIVE RULES REVIEW**  
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*2008 Legislative Session*

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## **STATE AFFAIRS COMMITTEE**

### **IDAPA 03 - IDAHO STATE ATHLETIC COMMISSION**

#### **03.01.01 - RULES OF THE STATE ATHLETIC COMMISSION**

**DOCKET NO. 03-0101-0701**

#### **NOTICE OF RULEMAKING - ADOPTION OF PENDING FEE RULE**

**EFFECTIVE DATE:** This rule has been adopted by the agency and is now pending review by the 2008 Idaho State Legislature for final approval. Pursuant to Section 67-5224(5)(c), Idaho Code, this pending rule will not become final and effective until it has been approved, amended, or modified by concurrent resolution of the legislature because of the fee being imposed or increased through this rulemaking. The rule becomes final and effective upon adoption of the concurrent resolution or upon the date specified in the concurrent resolution.

**AUTHORITY:** In compliance with Section 67-5224, Idaho Code, notice is hereby given that this agency has adopted a pending rule. The action is authorized pursuant to Section 54-416, Idaho Code.

**DESCRIPTIVE SUMMARY:** The following is a concise explanatory statement of the reasons for adopting the pending rule and a statement of any change between the text of the proposed rule and the text of the pending rule with an explanation of the reasons for the change:

**The pending rule is being adopted as proposed. The complete text of the proposed rule was published in Book 1 of the October 3, 2007 Idaho Administrative Bulletin, Vol. 07-10, pages 34 through 64.**

**FEE SUMMARY:** The following is a specific description of the fee or charge imposed or increased. This fee or charge is being imposed pursuant to Section 54-416, Idaho Code:

**Fees are currently being collected as established by the commissioner. Listing the fees in rules would create uniformity.**

**FISCAL IMPACT:** The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: N/A

**ASSISTANCE ON TECHNICAL QUESTIONS:** For assistance on technical questions concerning this pending rule, contact Cherie Simpson at (208) 334-3233.

DATED this 26th day of October, 2007.

Tana Cory, Bureau Chief  
Bureau of Occupational Licenses  
1109 Main St., Ste 220  
Boise, ID 83709  
(208) 334-3233 phone  
(208) 334-3945 fax

## STATE AFFAIRS COMMITTEE

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**DEPARTMENT OF HEALTH AND WELFARE**  
**Rules of the State Athletic Commission**

**Docket No. 03-0101-0701**  
**PENDING FEE RULE**

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### ***THIS NOTICE WAS PUBLISHED WITH THE PROPOSED RULE***

**AUTHORITY:** In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section(s) 54-416, Idaho Code.

**PUBLIC HEARING SCHEDULE:** Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than October 17, 2007.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

**DESCRIPTIVE SUMMARY:** The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

To bring the rules into compliance with recent changes in Title 54, Chapter 4, Idaho Code. Add definitions, remove sections that are no longer applicable, change licensing information, change references for boxer to combatant, remove requirements for passbook, revise requirements, revise contract sections, clarify surety bond, clarify approval for events, clarify admission rules, clarify complimentary tickets and other sections dealing with tickets, correct typographical errors, delete amateur boxing, clarify martial arts, and change references that are no longer applicable.

**FEE SUMMARY:** The following is a specific description of the fee or charge imposed or increased: 54-416, Idaho Code allows the setting of fees. Fees are currently being collected as established by the commissioner. Listing the fees in these rules will create uniformity.

**FISCAL IMPACT:** The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking: N/A

**NEGOTIATED RULEMAKING:** Pursuant to IDAPA 04.11.01.811, negotiated rulemaking was not conducted because changes are being done at the direction of the commissioner.

**ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS:** For assistance on technical questions concerning the proposed rule, contact Cherie Simpson at (208) 334-3233.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 24, 2007.

DATED this 29th day of August, 2007.

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### THE FOLLOWING IS THE TEXT OF THE PENDING RULE

**005. INCORPORATION BY REFERENCE.**

These rules do not incorporate by reference any document other than those sections of Idaho Code so referenced. ( )

**006. ADDRESS OF THE IDAHO STATE ATHLETIC COMMISSION.**

The office of the State Athletic Commission is located within the Bureau of Occupational Licenses, Owyhee Plaza, 1109 Main St., Suite 220, Boise, ID 83702. The phone number of the Board is (208) 334-3233. The Board's FAX number is (208) 334-3945. The Board's e-mail address is atc@ibol.idaho.gov. The Board's official web site is at www.ibol.idaho.gov/atc.htm. ( )

**0057. -- 009. (RESERVED).**

**010. DEFINITIONS.**

**01. Bureau.** The Bureau of Occupational Licenses, as prescribed in Section 67- 2602, Idaho Code. ( )

**042. Champion.** A person who has been formally acknowledged supreme in a branch of athletics or game of skill and who is ready to contend with any qualified challenger. (3-3-94)

**03. Passbook.** ~~A document which records the results of each contest in which a boxer participates, including any injuries sustained, medical treatment received or suspensions ordered.~~  
**Combatant.** Any boxer, kickboxer, martial artist or wrestler who takes part as a competitor in an event under the jurisdiction of the commission. (3-3-94)( )

**024. Commission.** The Idaho Athletic Commission created under Title 54, Chapter 4, Idaho Code, or designated ~~representative~~ agent. (3-3-94)( )

**05. Commissioner.** The state athletic commissioner, as prescribed in Section 54-401, Idaho Code. ( )

**06. Event.** Any contest, match, or exhibition of unarmed combat under the jurisdiction of the commission. ( )

**047. Physician.** A doctor of medicine ~~certified~~ licensed by the ~~Commission~~ Idaho Board of Medicine. (3-3-94)( )

**058. Stub.** That part of the ticket retained by a person entering the arena in which an event is held after the ticket has been collected. (3-3-94)( )

**069. Ticket.** That document issued by the promoter allowing a person's entrance and



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attendance at an event and may include ~~T~~that part of the ticket retained by the promoter ~~upon~~  
documenting a person's entrance to the arena an event. (3-3-94)(\_\_\_\_)

011. -- 0499. (RESERVED).

~~050. COMMISSIONS REPRESENTATIVES AND EMPLOYEES.~~

~~The jurisdiction, duties and responsibilities of every representative and employee of the Commission must be established by the executive director with the approval of the Commission. Every employee is under the general supervision of the executive director.~~ (7-1-93)

~~051. — 099. (RESERVED).~~

### 100. LICENSING.

**01. Application for License.** An application for a license must be ~~made in writing~~  
submitted to the Bureau on a form supplied by the Commission and be verified under oath by the  
applicant for each of the following: (3-3-94)(\_\_\_\_)

- a. Professional boxer; (3-3-94)
- b. Professional wrestler; (3-3-94)
- c. Promoter; (3-3-94)
- d. Matchmaker; (3-3-94)
- e. Manager; (3-3-94)
- f. Second, including a trainer; (3-3-94)
- g. Referee; (3-3-94)
- h. Judge; or (3-3-94)(\_\_\_\_)
- i. Timekeeper; ~~or~~ (3-3-94)(\_\_\_\_)
- ~~j. Physician.~~ (3-3-94)

~~02. Subject to Conditions. Every license issued is subject to the conditions and agreements set forth in the application.~~ **Complete Applications.** All applications shall be made on a form provided by the Bureau and must be complete and include the required fee and any supporting documentation required before they will be considered by the commission. (3-3-94)(\_\_\_\_)

~~03. False Statements. Any false statement of a material matter in such an application is a ground for:~~ (3-3-94)

- ~~a. Denial of the application; or~~ (3-3-94)

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~~b.~~      ~~Revocation of the license, if the license has already been issued.~~      (3-3-94)

#### 101. AGE AND PHYSICAL CONDITION ~~OF BOXER.~~

01.      **Age of ~~Boxer~~ Combatant.** All ~~boxer must have his~~ applications for a combatant license shall be reviewed by the Commission so that ~~his~~ the applicant's experience and fitness may be considered before a license is issued, if the ~~boxer~~ applicant has:      (3-3-94)( )

a.      Not reached eighteen (18) years of age; or      (3-3-94)

b.      Reached thirty-six (36) years of age.      (3-3-94)

02.      **Poor Vision.** The Commission will not issue a license to ~~box~~ engage in unarmed combat to any applicant who is found to be blind in one (1) eye or whose vision in one (1) eye is so poor that a physician recommends that no license be granted. Exceptions will not be made due to exemplary vision in the good eye.      (3-3-94)( )

03.      **Cerebral Hemorrhage.** The Commission will not issue a license to ~~box~~ engage in unarmed combat to any person who has suffered a cerebral hemorrhage.      (3-3-94)( )

04.      **Serious Head Injuries.** The Commission will review the application of any person who has suffered a serious head injury before a license is issued to that person.      (3-3-94)

#### 102. ABILITY OF ~~BOXER~~ COMBATANT.

01.      **Satisfy Commission.** Before a combatant license ~~to box~~ is issued by the Commission to any person, the Commission must be satisfied of the person's ability to compete.      (3-3-94)( )

02.      **Questioned Ability ~~of Boxer~~.** If a ~~boxer~~ combatant's ability to perform is questioned for any reason, the Commission may hold a hearing to determine:      (3-3-94)( )

a.      Whether the person's license ~~to box~~ should be revoked; or      (3-3-94)( )

b.      Whether he should be granted a license ~~to box~~.      (3-3-94)( )

#### 103. PHYSICAL EXAMINATION OF ~~BOXER~~ COMBATANT.

01.      **Examination by Physician.** Any ~~boxer~~ combatant who has applied for a license or a renewal of his license must be examined by a physician. The physician shall establish the ~~boxer~~ combatant's physical and mental fitness for competition.      (3-3-94)( )

02.      **Additional Examination.** Any ~~boxer~~ combatant licensed by the Commission who participates in a ~~boxing~~ contest outside of the state of Idaho may be required to take this examination again before being allowed to ~~box~~ compete in Idaho.      (3-3-94)( )

03.      **Drug Abuse.** The Commission will not issue a license to an athlete who has a

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recent history of drug abuse, without proof of participation in a recognized drug rehabilitation program and/or submission to urinalysis. (3-3-94)

**04. ~~HIV~~ Blood Testing.** The Commission will not issue a license to an athlete who has tested positive ~~to~~ for the HIV virus, hepatitis, or illegal drugs or other substances. A current test report must accompany the license application. (3-3-94)( )

#### **104. ~~ISSUANCE AND POSSESSION OF PASSBOOK.~~**

**~~01. Passbook Requirement.~~** ~~Before a license to box is issued by the Commission, the applicant for that license must have a valid passbook issued by the Commission or the proper regulatory agency of another jurisdiction. An Idaho boxer must hold a valid passbook to compete in Idaho.~~ (3-3-94)

**~~02. Penalties.~~** ~~An Idaho boxer who fails to present his passbook before a contest may be refused permission to compete or may be charged a penalty for his failure to do so. The penalty for failing to present a valid passbook will be not more than two hundred and fifty dollars (\$250), to be determined by a member of the Commission.~~ (3-3-94)

**~~03. Passbooks Issued.~~** ~~The Commission may issue passbooks to qualified residents of Idaho.~~ (3-3-94)

**~~04. Residence Changes.~~** ~~A boxer whose residence changes from one (1) jurisdiction to Idaho must secure a passbook issued by the Idaho State Athletic Commission.~~ (3-3-94)

**~~05. Requirements After Obtaining Passbook.~~** ~~A boxer who holds a passbook in good standing from another jurisdiction must pass a physical before competing in any contest in Idaho and pay the annual licensing fee.~~ (3-3-94)

**~~06. Recording on Passbook.~~** ~~The passbook of each boxer must be held by the Commission representative during each contest. The Commission representative shall record the results of the contest, including any injuries sustained, medical treatment received or suspensions ordered, in the passbook before returning it to the boxer.~~ (3-3-94)

**~~07. Reporting.~~** ~~The Commission will, as soon as possible, report to the proper regulatory agencies and reporting services in other jurisdictions, the results of each contest held in Idaho, including any injuries sustained or suspensions ordered.~~ (3-3-94)

#### **104. FEES (RULE 104).**

**01. Application.** Application fee: ( )

**a.** Combatant - thirty dollars (\$30). ( )

**b.** Non-combatant - thirty dollars (\$30). ( )

**c.** Matchmaker - one hundred dollars (\$100). ( )

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- d.** Promoter - five hundred dollars (\$500). ( )
- e.** Sanction permit - twenty-five dollars (\$25). ( )
- 02. Renewal of License/Permit.** Annual renewal fee: ( )
- a.** Combatant - thirty dollars (\$30). ( )
- b.** Non-combatant - thirty dollars (\$30). ( )
- c.** Matchmaker - fifty dollars (\$50). ( )
- d.** Promoter - one hundred dollars (\$100). ( )

### 105. HONORING ACTIONS OF REGULATORY AGENCIES IN OTHER JURISDICTIONS.

The Commission may honor the following actions of agencies in other jurisdictions which regulate boxing, ~~or~~ wrestling, or martial arts: (3-3-94)( )

- 01. Suspension.** A suspension of a ~~contestant~~ combatant ordered for: (3-3-94)( )
- a.** Medical safety; (3-3-94)
- b.** A violation of a law or rule governing boxing, ~~or~~ wrestling, or martial arts which also exists in this state; or (3-3-94)( )
- c.** Any other conduct which discredits boxing, ~~or~~ wrestling, or martial arts, as determined by the Commission. (3-3-94)( )

**02. ~~Passbook Refused for Medical Safety.~~ ~~The refusal to issue a passbook to an applicant on the basis of medical safety.~~ (3-3-94)**

### 106. TIME BETWEEN CONTESTS.

Without the special permission of the Commission, a ~~boxer~~ combatant may not compete in this state unless: (3-3-94)( )

- 01. Four Days.** Four (4) days have elapsed since ~~his~~ the combatant's last contest if the contest lasted not more than four (4) rounds. (3-3-94)( )
- 02. Seven Days.** Seven (7) days have elapsed since ~~his~~ the combatant's last contest if the contest lasted five (5) or six (6) rounds. (3-3-94)( )
- 03. Fourteen Days.** Fourteen (14) days have elapsed since ~~his~~ the combatant's last contest if the contest lasted ~~nine (9) or ten (10)~~ seven (7) or eight (8) rounds. (3-3-94)( )
- 04. Twenty-One Days.** Twenty-one (21) days have elapsed since ~~his~~ the combatant's last contest if the contest lasted nine (9) or ten (10) rounds. (3-3-94)( )

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**05. Forty-Five Days.** Forty-five (45) days have elapsed since ~~his~~ the combatant's last contest if the contest lasted eleven (11) or twelve (12) rounds. (3-3-94)( )

**06. Sixty Days.** Sixty (60) days have elapsed since ~~his~~ the combatant's last contest if the contest lasted thirteen (13), fourteen (14), or fifteen (15) rounds. (3-3-94)( )

#### 107. FEMALE ~~BOXERS~~ COMBATANTS.

**01. ~~Qualified as a Boxer~~ Qualifications.** A female ~~boxer~~ combatant must be qualified to perform as a ~~boxer~~ combatant before she enters a contest. (3-3-94)( )

**02. Limitation.** A female ~~boxer~~ combatant shall not engage in a contest with a male ~~boxer~~ combatant. (3-3-94)( )

**03. General Requirements.** In addition to meeting such requirements of this chapter as are applicable to ~~boxers~~ combatants generally, a female shall: (3-3-94)( )

a. Use a mouthpiece specially designed for her mouth; (3-3-94)

b. Wear ten (10) ounce gloves in a boxing contest; (3-3-94)( )

c. Wear a breast protector as a binder; (3-3-94)

d. Have her hair secured in a manner that does not interfere with the vision or safety of either ~~contestant~~ combatant; and (3-3-94)( )

~~e. Use a minimum of cosmetics; and~~ (3-3-94)

~~f.~~ For each contest in which she competes, have two (2) uniforms in contrasting colors, each uniform consisting of a body shirt, blouse, and shorts. (3-3-94)

**04. Addendum Requirement.** A female ~~boxer~~ combatant shall, in addition to signing the contract, sign an addendum ~~indicating~~ certifying that ~~to her knowledge she~~ the combatant is not pregnant and that the contest will not take place during a menstrual period. (3-3-94)( )

**05. Limitation on Contest.** A contest between female ~~boxers~~ combatants must be limited to ten (10) rounds ~~or of~~ two (2) minutes duration. (3-3-94)( )

**06. Separate Dressing Rooms.** The promoters of a contest between female ~~boxers~~ combatants shall provide them with adequate separate dressing rooms. (3-3-94)( )

**07. Annual Physical Examination.** The annual physical examination of a female ~~boxer~~ combatant shall include an examination of the pelvis. Before each contest, the examining physician shall make an abdominal examination and shall examine the breasts and note any masses. (3-3-94)( )

#### 108. REQUIREMENTS FOR LICENSE AS A PROMOTER.

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**01. Requirements.** Any person applying for a license as a promoter may be required to appear before the Commission and be prepared to prove his: (3-3-94)

a. Integrity; (3-3-94)

b. Financial stability; and (3-3-94)

c. Knowledge of the responsibilities involved in the promotion of ~~boxing and wrestling~~ relevant combative programs. (3-3-94)( )

**02. Provide Waivers.** The applicant, or a person he has designated if approved by the Commission, must provide all waivers necessary to the conduct of the Commission's investigation of the applicant's suitability. (3-3-94)

### (BREAK IN CONTINUITY OF SECTIONS)

### **110. REQUIREMENTS FOR LICENSE AS REFEREE, JUDGE, ~~OR~~ TIMEKEEPER, OR GLOVER-AND LICENSING REQUIREMENTS.**

**01. Qualifications.** To qualify for a license as a glover, referee, judge, or timekeeper of boxing contests, an applicant must: (3-3-94)( )

a. Be at least twenty-one (21) years of age; (3-3-94)

b. Have no record of conviction of a felony or other crime involving moral turpitude unless approved by the commission; (3-3-94)( )

c. Have had at least one (1) year experience in either amateur or professional boxing as a glover, referee, judge, or timekeeper, whichever is appropriate; (3-3-94)( )

d. Submit verifications from three (3) persons of his proficiency as a glover, referee, judge, or timekeeper, whichever is appropriate; and (3-3-94)( )

e. ~~Except as otherwise provided in this section, successfully pass the Commission annual examination and successfully complete an internship established by the Commission.~~ Provide proof that the applicant meets the other requirements of the commission law and rules. (3-3-94)( )

**02. Equivalent Qualifications.** In lieu of the examination and internship, the Commission may accept satisfactory evidence of equivalent qualifications possessed by an applicant who: (3-3-94)

a. Is currently licensed in another state or country; or (3-3-94)

b. Formerly held an Idaho license which lapsed in good standing. (3-3-94)( )

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**03. Other Functions.** A person holding a current Idaho license or who formerly held an Idaho license which lapsed in good standing may be licensed by the Commission without examination or internship to perform an officiating function other than that for which he is or was licensed if the Commission determines that he is qualified to perform that function. (3-3-94)

**04. Ring Officials Determination.** The Commission will determine when additional ring officials are needed and when licensing examinations for ring officials will be conducted. (3-3-94)

**05. Validity of Licenses.** Each license issued ~~pursuant to this section is valid until December 31 of each year~~ by the commission shall be annually renewable in accordance with Section 67-2614, Idaho Code. ~~An application for renewal must be submitted to the Commission by December 1 of each year accompanied by the appropriate renewal fee.~~ The renewal of a license is not automatic. The applicant's past performance and abilities may be considered in evaluating ~~his~~ an application for renewal. (3-3-94)(\_\_\_\_)

### 111. REQUIREMENTS FOR ~~LICENSE AS~~ RINGSIDE PHYSICIAN.

~~**01. Licensed Annually.** Ringside physicians shall be licensed annually as need for their services is determined by the Commission.~~ (3-3-94)

**021. Board of Medicine.** Ringside physicians shall be currently licensed by the Idaho Board of Medicine. (3-3-94)

~~**03. Not Automatic Renewal.** The renewal of a license as a ringside physician is not automatic. The applicant's past performance and abilities may be considered in evaluating his application for renewal.~~ (3-3-94)

**042. Cardiopulmonary Resuscitation.** A ringside physician must be certified ~~annually~~ to perform cardiopulmonary resuscitation. (3-3-94)(\_\_\_\_)

### (BREAK IN CONTINUITY OF SECTIONS)

### 113. GROUNDS FOR DENIAL OR REVOCATION OF LICENSE.

The Commission may deny an application or suspend or revoke a license or take such other disciplinary action deemed appropriate if it finds that the applicant or licensee or any partner, officer, director, stockholder, or employee of the applicant or licensee has: (3-3-94)(\_\_\_\_)

**01. Subject to Discipline.** Performed any act which ~~would, if performed by a licensee, subject the licensee to discipline pursuant to Subsection 100.02; or~~ constitutes a violation of the laws or rules of the commission. (3-3-94)(\_\_\_\_)

**02. ~~Other Dealings~~ Specific Conduct.** ~~Knowingly dealt or consorted with any person~~ who: (3-3-94)(\_\_\_\_)

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- a. Has been convicted of a felony; (3-3-94)
- b. Engages in illegal bookmaking; (3-3-94)
- c. Engages in any illegal gambling activity; (3-3-94)
- d. ~~Is a reputed underworld character~~ Engages in any fraud or misrepresentation in the application process; (3-3-94)( )
- e. Has a recent history of drug abuse or fails a drug test or refuses to submit to a drug test; (3-3-94)( )
- f. Is under suspension from any other commission; or (3-3-94)
- g. Is engaged in any activity or practice which is detrimental to the best interests of ~~boxing~~ a contest regulated by the commission. (3-3-94)( )

#### ~~114. PROCEDURE AFTER LICENSE HAS BEEN DENIED OR REVOKED.~~

~~01. Denial. Any applicant who has been denied a license by the Commission may not file a similar application until one (1) year after denial by the Commission. Any application for a license filed within the one (1) year period may be denied without a hearing. (3-3-94)~~

~~02. Revocation. Anyone who has had his license revoked may not petition for reinstatement or apply for a new license until one (1) year after the revocation. Any petition for reinstatement or application for license filed within the one (1) year period may be denied without hearing. (3-3-94)~~

~~1154. -- 1949. (RESERVED).~~

#### **150. RENEWAL OR REINSTATEMENT OF LICENSE (RULE 150).**

**01. Expiration Date.** All licenses expire and must be renewed annually in accordance with Section 67-2614, Idaho Code. Licenses not renewed prior to expiration shall be cancelled. ( )

**02. Reinstatement.** Any license canceled for failure to renew may be reinstated in accordance with Section 67-2614, Idaho Code. ( )

**03. Cancelled License.** A license that has been canceled for a period of more than five (5) years may be re-issued in accordance with section 67-2614, Idaho Code. ( )

~~**151. -- 199. (RESERVED).**~~

#### **200. CONTRACT BETWEEN MANAGER AND ~~BOXER~~ COMBATANT.**

**01. Contractual Obligations.** The Commission may refuse to honor a contract between a manager and ~~a boxer~~ combatant unless it ~~is filed with the Commission at least forty-~~



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~~eight (48) hours before a scheduled contest and it~~ complies with the requirements of this sSection 200 of this rule. ~~The Commission will honor a~~ A contract between a manager and a ~~boxer only if the term of the contract is~~ combatant shall be for a term of not more than four (4) years. Such a contract may contain an option which permits the manager, at the expiration of the initial term, to renew the contract for an additional period of not more than two (2) years. ~~A manager intending to exercise an option to renew shall, at least sixty (60) days before the expiration of the initial term of the contract, send a written notice to the Commission and the boxer of his intent. The renewal shall be deemed effective unless the boxer:~~ (3-3-94)(\_\_\_\_)

~~a. Notifies the Commission in writing that the validity of the contract is currently in litigation in a court of competent jurisdiction; or~~ (3-3-94)

~~b. Has requested arbitration under the provisions of the contract.~~ (3-3-94)

**02. After Contract Services.** A manager may not contract to receive the services of a ~~boxer combatant~~ under his management for a match which is scheduled to take place after the expiration of the contract. (3-3-94)(\_\_\_\_)

**03. Options.** A contract between a ~~boxer combatant~~ and a manager may provide for voluntary binding arbitration of disputes by the Commission. If so agreed, the arbitration must be conducted by a member of the Commission mutually agreed upon by the two (2) parties or, if there is no agreement, by a member of the Commission appointed by the chairman. The arbitration must be conducted pursuant to generally accepted arbitration standards.(3-3-94)(\_\_\_\_)

**04. Contract Approval.** The Commission may approve a contract entered into in another jurisdiction by a person who is not a resident of Idaho if: (3-3-94)

~~a. The contract is on file with and is approved by the body regulating boxing in the other jurisdiction; and~~ (3-3-94)

~~b. The terms of the contract comply with the requirements of this section. If the terms of the contract exceed the limitations contained in this section, the Commission may honor the contract to the extent of those limitations.~~ (3-3-94)(\_\_\_\_)

**05. Manager Limitations.** A manager may not negotiate or sign for matches for a ~~boxer combatant~~ who is not under contract to him. Any ~~boxer combatant~~ who does not have a contract with a licensed manager must sign for his own contest and sign the receipt for his own purse. A manager or managers may not participate separately or collectively in more than thirty-three and one-third percent (33 1/3%) of the ~~boxer combatant's~~ earnings in the ring. ((3-3-94)(\_\_\_\_))

~~**06. Interest in Contract.** An interest which a boxer or a manager has in a contract may not be assigned unless:~~ (3-3-94)

~~a. A copy of the proposed assignment is submitted to the Commission; and~~ (3-3-94)

~~b. The Commission approves the assignment.~~ (3-3-94)

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**076. Manager Responsibilities.** If a manager signs only for a ~~boxer~~combatant's appearance at a contest, a copy of the manager's authorization to negotiate and sign for the ~~boxer~~ combatant must accompany the contract which he concluded with the promoter. If the manager does not send a copy of his authorization, the Commission may deny any application received from the ~~boxer~~combatant or manager pending a hearing before the Commission.

(3-3-94)( )

### 201. MANAGER'S ADVANCES ~~TO BOXER~~ -- ACCOUNTING.

Any manager who advances or lends any money to any ~~boxer~~ combatant or incurs indebtedness on behalf of a ~~boxer~~ combatant shall furnish an accounting in writing to the ~~boxer~~ combatant every ninety (90) days. The accounting must be verified by the manager and set forth each item of indebtedness owed by the ~~boxer~~ combatant, the date that the indebtedness occurred, the purpose of the indebtedness, and the name of the person to whom the debt is owed.

(3-3-94)( )

### 202. CONTRACT BETWEEN PROMOTER AND ~~BOXER~~ COMBATANT.

**01. Gate Receipts.** A promoter may not deduct any amount from the gate receipts, other than for any federal taxes and the fees prescribed herein until all ~~boxers~~ combatants who are to be paid a percentage of the receipts have been paid, unless the amount to be paid to the ~~boxer~~ combatant is specified in ~~his~~ the contract.

(3-3-94)( )

#### 02. Contract Prohibitions.

(3-3-94)

**a.** A contract which provides that a ~~boxer~~ combatant must fight exclusively for or at the option of one (1) promoter ~~or at his option~~ is prohibited.

(3-3-94)( )

**b.** A contract which provides that a ~~boxer~~ combatant is to pay for the services of ~~his~~ an opponent is prohibited.

(3-3-94)( )

### 203. FILING CERTAIN CONTRACTS WITH COMMISSION.

**01. Main and Semi-Main Events.** A contract between a promoter and a ~~boxer~~ combatant for the main and semi-main events of a ~~boxing or wrestling~~ program must be placed on file with the Commission at least seven (7) working days before the event unless the Commission gives special approval for filing the contract closer to the time of weighing in.

(3-3-94)( )

**02. Other ~~Boxers~~ Combatants.** Contracts for all ~~boxers~~ combatants who will be contending in the program must be filed before the scheduled time for weighing in.

(3-3-94)( )

**03. Disciplinary Action.** A promoter or matchmaker who fails to file a contract for any participant whose name is released to the news media is subject to disciplinary action.

(3-3-94)

**04. Media Contracts.** Any contract by the promoter for the sale, lease or other use of rights to broadcast, televise including a right to make a closed-circuit telecast, or take motion pictures of a ~~boxing or wrestling~~ contest must be placed on file with the Commission at least five (5) working days before the even unless the promoter obtains special approval from the

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Commission for filing the contract at a time closer to the event. (3-3-94)( )

#### 204. PERCENTAGE OF GATE RECEIPTS TO ~~BOXER~~ COMBATANT.

Each ~~contestant~~ combatant working on a percentage basis, must be paid on the basis of the net receipts of each exhibition after state and federal taxes, ring expenses and the price of complimentary tickets upon which a price is specified, have been deducted. (3-3-94)( )

#### 205. PROMOTER'S ADVANCES TO ~~CONTESTANT~~ COMBATANT OR MANAGER OR OCCURRENCE OF DEBT ON HIS BEHALF.

**01. Restrictions.** A promoter licensed by the Commission shall not directly or indirectly make any loan or advance to any ~~boxer, wrestler~~ combatant or manager except as provided in this rule. (3-3-94)( )

**02. Any Indebtedness Restricted.** A promoter shall not, directly or indirectly, create any indebtedness which becomes the obligation of a ~~boxer, wrestler~~ combatant or manager unless the promoter has the express written permission of the Commission for that action. (3-3-94)( )

#### 206. FAILURE OF ~~CONTESTANT~~ COMBATANT TO APPEAR.

Any ~~contestant~~ combatant who fails to appear in an ~~boxing show~~ event in which the combatant signed a contract to appear, without a written excuse determined to be valid by the Commission or a certificate from a physician designated by the Commission in advance in case of physical disability is subject to disciplinary action. Any ~~boxer~~ combatant who files a certificate from a physician designated by the Commission stating that he is unable to fulfill a contract because of physical disability shall, on being restored to the eligible list, fulfill his contract with the same opponent or a suitable substitute specified in the contract within a reasonable time, that period to be set by the Commission, unless the ~~boxer~~ combatant is released from the contract by mutual agreement. (3-3-94)( )

#### 207. PAYMENT OF ~~CONTESTANT~~ COMBATANT.

**01. Payment in Full.** Every ~~contestant~~ combatant must be paid in full according to ~~his~~ the combatant's contract, and no part of ~~his~~ the combatant's remuneration may be withheld except by order of the Commission, nor may any part of ~~his~~ the combatant's remuneration be returned through arrangement with ~~his~~ the combatant's manager to any matchmaker or promoter, except as otherwise provided in this section. (3-3-94)( )

**02. Prior Written Commitments.** With the prior written permission of a member of the Commission, a promoter may withhold from the purse of a ~~boxer~~ combatant money advanced to the ~~boxer~~ combatant for transportation and maintenance in preparation for a contest, if their agreement so provides. (3-3-94)( )

**03. Manager's Share.** A manager's share of the purse may be deducted and paid directly to the manager if the contract so specifies. (3-3-94)

**04. Pending Action.** If arbitration of a contract entered into by a manager and ~~boxer~~ combatant is pending before the Commission or if the contract is in litigation in a court of competent jurisdiction, the Commission may: (3-3-94)( )

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a. Withhold the amount in dispute in the Commission's trust fund until resolution of the dispute; or (3-3-94)

b. Pay the disputed amount to the clerk of the court in which the litigation is pending. (3-3-94)

**05. Prior Approval of Commission.** Neither a ~~contestant~~ combatant nor his manager may assign his share of the purse, or any portion thereof, without the approval of the Commission. If a ~~contestant~~ combatant or manager wants to assign his share of the purse, he must file a written request with the Commission at least seven (7) working days before the contest. ~~(3-3-94)~~(\_\_\_\_)

### 208. PAYMENT OF PURSE.

**01. Payment Made.** All payment of purses must be made: (3-3-94)

a. Immediately after the contest or exhibition; or (3-3-94)

b. If the ~~contestant~~ combatant is to receive a percentage of the net receipts, immediately after that percentage is determined by a person designated by the Commission, unless otherwise ordered by the Commission. ~~(3-3-94)~~(\_\_\_\_)

~~**02. Receipts.** Except as otherwise provided, before the start of a contest or exhibition, the promoter shall deliver to the Commission, checks or cash for all payments to the entitled persons. The Commission shall provide the promoter a written receipt for any cash received. (3-3-94)~~

**032. Signatures.** Immediately after the contest or exhibition, the person designated by the Commission will release the checks or cash to the entitled persons and will obtain their signatures on a list in which they acknowledge the payment. (3-3-94)

**043. Reconciliation.** The promoter may withhold an amount of not more than ten percent (10%) of the purse for payment of expenses incurred by the ~~contestant~~ combatant. A reconciliation of those expenses and payment of the undistributed portion of the purse must be made to the Commission on the Commission's form within seven (7) working days after the contest. The reconciliation must bear written approval of the ~~contestant~~ combatant before it is submitted. If good cause is shown, the chairman of the Commission may grant an extension of the date for reconciliation for a period not to exceed thirty (30) days after the contest. ~~(3-3-94)~~(\_\_\_\_)

**054. Alternative Payment.** The Commission may permit a form of payment other than those specified in this section. A promoter who wishes to pay the purse by an alternative method of payment shall: (3-3-94)

a. Submit a written ~~application~~ request to the Commission at least thirty (30) days before the contest. ~~(3-3-94)~~(\_\_\_\_)

b. Describe in detail the alternative method of payment contemplated. (3-3-94)

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- c. Show good cause for a waiver of the provisions ~~of~~ as outlined in ~~this~~ Section 208 of this rule. (3-3-94)( )
- d. Comply with all requirements of the Commission regarding the production of relevant information. (3-3-94)
- e. Follow precisely the procedural directives of the Commission if the request is granted. (3-3-94)

### (BREAK IN CONTINUITY OF SECTIONS)

#### 300. SURETY BOND ~~FOR PROGRAM OF BOXING OR WRESTLING.~~

01. **Requirement.** Every promoter who applies for a license to present a program ~~of boxing or wrestling must~~ or event under the jurisdiction of the commission shall furnish a surety bond to the Commission in an amount deemed by the Commission to be adequate to ensure reimbursement to the purchasers of tickets for the program. (3-3-94)( )

02. **Various Locations.** The promoter may apply one (1) bond to more than one (1) location if no more than one (1) location covered by the same bond is scheduled for a program on any given calendar date. (3-3-94)

03. **Total Sum.** Each bond must be conditioned for the payment to the Commission of a sum equivalent to the total sale of tickets: (3-3-94)

a. If the main event is not held on the date advertised, unless the event is subsequently held on a date fixed by the Commission; and (3-3-94)

b. If the main event is neither held on the original date advertised nor on a subsequent date fixed by the Commission. (3-3-94)

04. **Sum Due.** The sum is due within fifteen (15) days after default, to ensure reimbursement to the purchasers of tickets for the event, if the reimbursement of ticket holders is ordered by the Commission. (3-3-94)

#### 301. APPROVAL OF ~~PROGRAM BY COMMISSION~~ EVENTS.

01. **Prior Approval.** No contest shall be held without the prior approval of the Commission. A promoter must submit a completed application for a sanctioning permit to hold an event on a specific date, and a permit be issued by the commission before the event may be announced or advertised. Application shall be made on a form provided by the Bureau. (3-3-94)( )

02. ~~**Written Request for Approval.** A request for approval of a date for a program of boxing or wrestling must be made in writing to the Commission at the time the promoter submits his sanction application unless the Commission allows the request for approval of a date to be~~

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~~made at a later time~~ **Deadline.** A complete application for a sanctioning permit together with all requested supporting documentation must be received by the commission no less than thirty (30) days prior to the date requested for the event named in the application. (3-3-94)( )

**03. ~~Disciplinary Action~~ Cancellation.** The failure of the promoter to notify the Commission of a cancellation at least seven (7) calendar days before the date for the program will result in the forfeiture of ~~the sanction~~ all fees and ~~may subject the promoter to~~ shall be grounds for disciplinary action. (3-3-94)( )

**302. ~~PERMIT REQUIRED PRIOR TO ANNOUNCEMENT OF SPECIFIC DATE FOR CONTEST. (RESERVED).~~**

~~A promoter must apply in writing to the Commission for a permit to hold a contest on a specific date, before he may announce or advertise the contest or exhibition.~~ (3-3-94)

**303. PROGRAM FOR CHARITY.**

**01. Application.** A person who wishes to present a program ~~of boxing or wrestling~~ or event under the jurisdiction of the commission for charitable purposes must file with the Commission a sanction application to present the program. The application must contain the name of the charity, charitable fund or organization which is to benefit from the program and the amount or percentage of the receipts of the program which is to be paid to the charity. (3-3-94)( )

**02. Certified, Itemized Statement.** Within seventy-two (72) hours after such a program is held, the promoter shall furnish to the Commission a certified itemized statement of the receipts and expenditures in connection with the program and the net amount paid to the charitable fund or organization. If the promoter fails to file the statement within the prescribed time, the Commission: (3-3-94)

- a. May suspend or revoke the promoter's license. (3-3-94)
- b. Shall not thereafter issue a permit to the promoter for the holding of any program for charitable purposes. (3-3-94)

**(BREAK IN CONTINUITY OF SECTIONS)**

**305. MANAGERS -- LIMITATIONS ON NUMBER OF ~~BOXERS~~ COMBATANTS.**

A manager may not have more than three (3) ~~boxers~~ combatants under ~~his~~ management in any one (1) program unless ~~he has obtained~~ written permission to do so has been obtained from the Commission. (3-3-94)( )

**306. ~~NUMBER OF ROUNDS SCHEDULED ON ONE PROGRAM (RESERVED).~~**

~~A promoter shall not schedule fewer than twenty five (25) rounds of boxing on any one (1) program.~~ (3-3-94)

**307. CERTAIN PERSONS RETAINED ~~BY PROMOTER~~ MUST HAVE LICENSES.**

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~~A promoter~~ No person shall ~~not~~ be retained ~~a person~~ for any of the following positions unless ~~he~~  
~~is currently~~ licensed by the Commission: (3-3-94)(\_\_\_\_)

01. Referee. (3-3-94)
02. Second. (3-3-94)
03. Timekeeper. (3-3-94)
04. ~~Boxer~~ Combatant. (3-3-94)(\_\_\_\_)
05. ~~Wrestler~~ Glover. (3-3-94)(\_\_\_\_)
06. Matchmaker. (3-3-94)
- ~~07. Physician.~~ (3-3-94)
087. Judge. (3-3-94)

### 308. OFFICIALS OF BOXING OR WRESTLING MATCHES.

01. **Officials Described.** The officials of boxing and wrestling matches are the referee, judges, timekeeper, physician, and the Commission's representative agents. (3-3-94)(\_\_\_\_)

02. **Commission Involvement.** All the officials ~~are~~ shall be approved and assigned by the Commission. The promoter may select the announcer, subject to the Commission's approval. (3-3-94)(\_\_\_\_)

### 309. REFEREES.

01. **Selection.** The Commission ~~will~~ shall select the referee for the main event in championship ~~contests~~ events and for ~~contests which~~ events that the Commission considers to be special events. The Commission ~~will~~ shall set the fee ~~which~~ and reasonable expenses that the referee is entitled to receive for an event. (3-3-94)(\_\_\_\_)

02. **Protests.** If any licensee of the Commission protests the assignment of a referee, the protesting licensee will be given a hearing by the Commission if time permits. If time does not permit, the matter will be heard by two (2) Commissioners in order to make such disposition of the protest as the facts may justify. Protests not made in a timely manner may be summarily rejected. (3-3-94)

03. **Physical Examination.** Each referee licensed by the Commission must annually undergo a complete physical examination, including an eye examination conducted by an optometrist or ophthalmologist. The licensee must produce all records of the examination at the request of the Commission. (3-3-94)

### 310. JUDGES.

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**01. Selection.** The Commission will select the judges for the main event in championship ~~contests~~ events and for any other ~~contests~~ events which the Commission considers to be special events. (3-3-94)( )

**02. Protests.** If any licensee of the Commission protests the assignment of a judge, the protesting license will be given a hearing by the Commission if time permits. If time does not permit, the matter will be heard by two (2) Commissioners in order to make such disposition of the protest as the facts may justify. Protests not made in a timely manner may be summarily rejected. (3-3-94)

**03. Fees.** The Commission will set the fee and reasonable expenses which the judges are entitled to receive for an event. (3-3-94)( )

**04. Station of Judges.** The judges must be stationed ringside at places designated by the Commission. (3-3-94)

**05. Physical Examination.** Each judge licensed by the Commission may be required to submit to or provide proof of a complete physical examination, including an eye examination. (3-3-94)

**311. ADMISSION OF ~~CERTAIN~~ LICENSEES AND AGENTS TO ~~PROGRAM~~ EVENTS.** The promoter of ~~a boxing program~~ any event under the jurisdiction of the commission shall admit the following to ~~it any referee, judge, ringside physician, inspector, or timekeeper~~ said event without a ticket: ( )

**01. Participants.** Any individual who is licensed by the Commission and ~~presents his card evidencing that~~ who has been authorized by the commission to participate in said event upon such individual's presentation of a current and valid license issued by the commission. (3-3-94)( )

**02. Commissioner or Agent.** The Athletic Commissioner, any Deputy Commissioner, and any agent of the Bureau upon presentation of valid identification that identifies the holder as a member of the commission or an agent of the Bureau. ( )

**312. PAYMENT OF FEE TO OFFICIAL DESIGNATED BY COMMISSION.** A promoter must pay the fee and reasonable expenses set by the Commission to any person whom the Commission directs to officiate in ~~an contest or exhibition of boxing or wrestling event~~ promoted by that promoter. (3-3-94)( )

### 313. POSTPONEMENT OF PROGRAM.

**01. Prior Approval.** A promoter may not postpone a ~~program of boxing or wrestling~~ sanctioned event unless the postponement is approved by the Commission. (3-3-94)( )

**02. No Fault Postponement.** If a postponement of a ~~program~~ sanctioned event becomes necessary through no fault of the promoter, the Commission will grant an extension of the contracts and set a new date. (3-3-94)( )



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**03. Limitations on Postponement.** A small advance sale is not a legitimate reason for postponement. Indoor boxing and wrestling programs may not be called off or canceled on account of storms or for any other reason not expressed in this chapter except ~~with an affirmative vote by at least a majority of~~ as approved by the Commission. (3-3-94)( )

**04. Advance Notice.** A ~~boxing or wrestling program~~ sanctioned event must not be called off by the promoter without one (1) week prior written approval of the Commission. (3-3-94)( )

### 314. MAIN AND SEMI-MAIN BOXING EVENTS.

This section applies to the main and semi-main events in a program of boxing. (3-3-94)

**01. Notice.** The promoter shall request Commission approval of any change in an announced or advertised program for the main and semi-main events in a program of boxing at least one (1) week before the ~~contest event~~. Notice of any change or substitution must also be conspicuously posted at the box office of the premises where the program is to be held and announced from the ring before the opening contest. (3-3-94)( )

**02. Refunds.** If such change occurs and any patron desires ~~to have the price of his a~~ refund of the ticket ~~refunded price~~, the promoter must provide a refund ~~the patron's money if he presents his~~ upon presentation of the ticket or the ticket stub at the box office before the ~~contest event~~ is scheduled to begin. The box office must remain open a reasonable length of time to redeem such tickets. (3-3-94)( )

**03. Substitutions.** A ~~boxer~~ combatant may not substitute for another ~~boxer~~ combatant in a contest which is the main and semi-main events in a program of boxing unless the Commission approves the substitution. (3-3-94)( )

### 315. ~~BOXER~~ COMBATANT NOT USED IN PROGRAM MUST BE USED IN NEXT PROGRAM OR REIMBURSED.

If a promoter engages a ~~boxer~~ combatant for a contest ~~in a program of boxing~~ but does not use him in ~~that program~~ the scheduled event, he must be used in the next ~~program event~~ staged by the promoter or be reimbursed pursuant to their contract. (3-3-94)( )

### (BREAK IN CONTINUITY OF SECTIONS)

### 401. APPROVAL OF FACILITIES BY COMMISSION BEFORE TICKETS MAY BE SOLD.

The sale of tickets for any proposed contest or exhibition is prohibited until: (3-3-94)

**01. Approval.** Plans and statements showing the seating arrangements, ~~and~~ the location of tickets of each price, and other aspects of the physical layout of the ring and apron have been approved by the Commission; and (3-3-94)( )

**02. Other Considerations.** The aisle spacing, exit facilities, and the location of appliances to extinguish fires have been approved by the appropriate county or municipal

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authority.

(3-3-94)

### (BREAK IN CONTINUITY OF SECTIONS)

#### 405. COMPLIMENTARY TICKETS.

**01. Limitation.** A promoter may not issue complimentary tickets for more than two percent (2%) of the seats in the house without the Commission's written authorization. The Commission does not consider complementary tickets which it authorizes under this section to constitute part of the total gross receipts from admission fees for the purposes of calculating the Commission taxes. (3-3-94)

**02. More Than Two Percent Issued.** If complimentary tickets are issued for more than two percent (2%) of the ~~seats in the house~~ tickets sold: (3-3-94)(\_\_\_\_)

**a.** Each ~~boxer or wrestler~~ combatant who is working on a percentage must be paid his percentage of the normal price of all complimentary tickets in excess of two percent (2%) of the ~~seats in the house~~ tickets sold unless the contract between him and the promoter provides otherwise and stipulates the number of complimentary tickets which will be issued; and (3-3-94)(\_\_\_\_)

**b.** If a service charge is made for complimentary tickets, the ~~boxer or wrestler~~ combatant is entitled to be paid his percentage of that service charge, less any deduction for federal taxes and fees. (3-3-94)(\_\_\_\_)

#### 406. PROVISIONS OF TICKETS WITHOUT CHARGE OR AT REDUCED RATES.

**01. Without Charge.** Each promoter shall provide tickets without charge to: (3-3-94)  
~~a. The Commission's members and representatives;~~ (3-3-94)  
~~b. Principals and seconds who are engaged in a contest which is part of the program;~~ (3-3-94)  
and  
~~c. H~~olders of lifetime passes issued by the Commission. (3-3-94)(\_\_\_\_)

**02. No Fees.** Persons who receive tickets pursuant to this section are not liable for the payment of any fees for those tickets. (3-3-94)

**03. Optional Charges.** Each promoter may provide tickets without charge or at a reduced rate to: (3-3-94)

**a.** Any of his employees, and if the promoter is a corporation, to a director or officer, who is regularly employed or engaged in promoting such programs, whether or not his duties require him to be admitted to the particular program and whether or not he is on duty at the time of that program; (3-3-94)

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b. A journalist who is performing his duties as such; and (3-3-94)

c. A fireman or police officer who is performing his duties as such. (3-3-94)

**04. Duties Required.** Each promoter shall perform the following duties in relation to the issuance of complimentary tickets issued: (3-3-94)

a. Each ticket issued to a journalist must be clearly marked "PRESS." No more tickets may be issued to journalists than will permit comfortable seating in the press area. (3-3-94)

b. The promoter may allocate seats for the media, subject to the commission's final approval of the allocation. Seating at the press tables or in the press area must be limited to journalists who are actually covering the contest and to other persons designated by the Commission. (3-3-94)( )

c. A list of passes issued to journalists must be submitted to the Commission. (3-3-94)

d. Only one (1) complimentary ticket may be issued to any one (1) manager, second, ~~boxer, wrestler~~ combatant, or other person licensed by the Commission. (3-3-94)( )

e. Any credential issued by the promoter which allows an admission to the event without a ticket must be approved in advance by the Commission. Requests for the issuance of such credentials must be made at least five (5) hours before the first contest on the program. (3-3-94)

**05. Admission Criteria.** Admission of any person who does not hold a ticket or who is not specifically exempted pursuant to this section is ~~a~~ grounds for suspension or revocation of the promoter's license or the assessment of a penalty. (3-3-94)( )

**06. Fees.** The Commission shall collect all fees and taxes due on any ticket which is not specifically exempt pursuant to this section, and for any person who is admitted without a ticket in violation of this section. (3-3-94)

~~**407. ALLOCATION OF SEATS FOR MEDIA.**~~

~~The promoter may allocate seats for the media, subject to the Commission's final approval of the allocation.~~ (3-3-94)

~~**4087. SPECULATION IN TICKETS PROHIBITED.**~~

**01. Prevent Speculation.** A promoter who holds ~~boxing or wrestling matches~~ programs or events under the jurisdiction of the commission shall exercise extraordinary caution to prevent speculation in tickets. (3-3-94)( )

**02. No Other Price.** The promoter may not sell any tickets for a price other than the price printed thereon. ( )

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**a.** The promoter may not, without the Commission's written permission, change the price of tickets at any time after they have been placed on sale or sell them at any time during the program for ~~less~~ a different price than tickets for the same seats were offered or sold before the program commenced. (3-3-94)( )

**~~409. TICKETS SOLD AT REDUCED PRICE.~~**

**b.** Any ticket ~~for a boxing event~~ sold for ~~less~~ other than the price printed on the ticket must be over stamped with the actual price charged. The over stamp must be placed on the printed face of the ticket as well as the stub retained by the holder of the ticket. (3-3-94)( )

**~~410. TICKETS—EXCHANGE, REDEMPTION AND RETURN.~~**

**03. Exchange.** A person may only exchange tickets at the box office. A ticket may not be redeemed after the show has taken place. Tickets ~~which agencies~~ that have not sold must be returned to the box office not later than one (1) hour before the show is scheduled to begin. (3-3-94)( )

**~~411. TICKETS—REMOVAL AND POSSESSION OF STUB.~~**

**04. Removal and Possession of Stub.** A holder of a ticket for a program ~~of boxing or wrestling~~ or event must not be allowed: (3-3-94)( )

**01a. Gate.** To pass through the gate of the premises where the program is being held unless his ticket is separated from the stub; or (3-3-94)( )

**02b. Occupy Seat.** To occupy a seat unless he is in possession of the stub. (3-3-94)( )

**05. Tickets for Readmission.** A promoter may not issue a ticket to any person for the purpose of readmission due to leaving the arena and later reentering the arena, unless the promoter has obtained the commission's written permission for such an issuance. ( )

**~~408. -- 411. (RESERVED).~~**

**412. DUTIES OF USHERS AND DOORMEN; RESPONSIBILITY OF PROMOTER.**

**01. Usher Duties.** An usher shall see that: (3-3-94)

**a.** Patrons get the seats corresponding with their ticket stubs; and (3-3-94)

**b.** Anyone who occupies a seat for which he does not have the ticket stub is asked to vacate or, if necessary, is ejected. (3-3-94)

**02. Promoter Responsibilities.** The promoter is subject to disciplinary action by the Commission if: (3-3-94)

**a.** Any usher allows an unsold seat to be occupied by a patron not holding a stub for the seat. (3-3-94)

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b. Any doorman admits entrance to a program or event to any person, other than members of the commission, agents of the Bureau, or participants, without a ticket ~~to the program~~ for said program or event. (3-3-94)( )

#### 413. ~~TICKETS FOR READMISSION (RESERVED).~~

~~A promoter may not issue a ticket to a person for the purpose of readmitting him if he leaves the arena and then wishes to reenter the arena, unless the promoter has obtained the Commission's written permission for such an issuance.~~ (3-3-94)

#### 414. TICKETS -- SEALING IN CANS DURING ~~BOUT~~ CONTEST; COUNTING.

The ~~representatives of the~~ Commission may check numbers and places of ~~eans~~ containers for tickets at gates and have the ~~eans~~ containers sealed and padlocked. After the ~~show~~ program or event the ~~representatives~~ Commission may require the ~~eans~~ containers to be opened and the tickets counted under ~~their~~ its supervision. (3-3-94)( )

#### 415. TICKETS -- REMOVAL AND RETENTION AFTER MATCH; DESTRUCTION.

01. **Removal.** All tickets and stubs sold or unsold, other than unsold reel tickets, used for any ~~boxing contest or wrestling exhibition~~ program or event may be removed to the office of the ~~Commission Bureau~~ by ~~a representative of~~ the Commission after the ~~promoter and representative have~~ Commission has completed the computation of gate receipts and tax due thereon. (3-3-94)( )

02. **Destruction.** After the tickets and stubs have been held for at least fifteen (15) days by the Commission, the Commission will destroy them. If the tickets are not taken by the ~~representative~~ Commission, they must be retained by the promoters for at least six (6) months. Those tickets may be destroyed after they have been held for at least thirty (30) days and written permission has been granted by the Commission for the destruction of such tickets. Tickets must be kept in separate packages for each show so that an audit can be made at any time by the Commission. (3-3-94)( )

#### 416. -- 499. (RESERVED).

#### 500. SANITATION.

01. **Sanitary Conditions.** Each promoter ~~is~~ shall be responsible for and must correct any violation of the regulations of the Commission or the ~~state board of~~ public health district regarding the sanitary condition of dressing rooms, showers, water bottles, towels or other equipment. (3-3-94)( )

02. **Reporting.** Physicians and the Commission ~~or its agents~~ shall make a particular examination before or during each program ~~of boxing or wrestling or event~~ to discover any violation of such regulations, and any such violation must be reported to the Commission immediately. (3-3-94)( )

#### 501. REQUIRED NUMBER OF AMBULANCES; NOTICE TO AMBULANCE SERVICE AND HOSPITAL.

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**01. Required Number of Ambulances.** The following number of ambulances must be present at the site of any program ~~of boxing or wrestling involving full contact~~ or event under the jurisdiction of the commission: (3-3-94)( )

**a.** Where the anticipated attendance is four thousand (4,000) persons or more but less than eight thousand (8,000) persons, one (1) ambulance is required. (3-3-94)

**b.** Where the anticipated attendance is eight thousand (8,000) persons or more, two (2) ambulances are required. (3-3-94)

**02. Promoter Requirements.** Each promoter of ~~such~~ a program or event shall, without regard to the size of the anticipated attendance: (3-3-94)( )

**a.** Give notice of the time, date and site of the program to the ambulance service or emergency medical service which is located nearest to the site of the program and ascertain from the service the length of time required for one (1) of its ambulances to reach the site. (3-3-94)

**b.** Give such a notice to the nearest hospital and the persons in charge of its emergency room. (3-3-94)

**c.** Before the start of the program or event, certify to a member of the Commission that the requirements of this section have been met. (3-3-94)( )

### 502. DRESSING ROOMS -- ONLY AUTHORIZED PERSONS ARE ALLOWED TO ENTER.

**01. Authorized Persons to Enter.** On the day of a contest only the following people are allowed in the dressing room of a ~~boxer~~ combatant; (3-3-94)

**a.** The ~~boxer~~ combatant's manager; (3-3-94)( )

**b.** The ~~boxer~~ combatant's seconds; (3-3-94)( )

**c.** Any ~~representative~~ authorized agent of the promoter; and (3-3-94)( )

**d.** ~~Any representative~~ Members of the Commission or its agent. (3-3-94)( )

**02. Other Persons.** The promoter shall furnish a doorman or doormen at the entrance to the dressing rooms to enforce this section. (3-3-94)

### 503. BOXING GLOVES.

The gloves used in a boxing contest must meet the following requirements: (3-3-94)

**01. General.** The gloves must be examined by ~~the representative of~~ the Commission and the referee. If padding in any of the gloves is found to be misplaced or lumpy or if any of the gloves are found to be imperfect, they must be changed before the contest starts. No breaking, roughing or twisting of gloves is permitted. (3-3-94)( )

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**02. Glove Specifications.** The gloves for every main event must be new, of the same brand for both combatants, furnished by the promoter, and of the size specified by the Commission. (3-3-94)( )

**03. Sanitary.** If gloves to be used in preliminary ~~bouts~~ contests have been used before, they must be whole, clean and in sanitary condition. The gloves are subject to inspection by the referee or ~~representative of~~ the Commission. If found to be unfit, they must be immediately discarded and replaced with gloves meeting the requirements of this section. (3-3-94)( )

**04. Extra Set.** Each promoter must have an extra set of gloves of the appropriate weight available at the glove table to be used in case gloves are broken or otherwise damaged during the course of a bout contest. (3-3-94)( )

**05. Weight of Gloves.** Each ~~contestant~~ combatant must wear gloves which weigh not less than eight (8) ounces and not more than ten (10) ounces except that the Commission will set the weight of gloves to be used in a championship fight. Eight (8) ounce gloves shall be used for all weight classes through Middleweight. Super middleweight and above shall use ten (10) ounce gloves. (3-3-94)( )

**06. Distal Portion.** All gloves must have the distal portion of the thumb attached to the body of the glove so as to minimize the possibility of injury to an opponent's eye. (3-3-94)

#### 504. **BANDAGING OF ~~BOXER~~ COMBATANT'S HANDS.**

**01. General.** Bandages may not exceed one (1) winding of surgeon's adhesive tape, not over one and one-half (1 1/2) inches wide, placed directly on the hand to protect the part of the hand near the wrists. The tape may cross the back of the hand twice but may not extend within three-fourths (3/4) inch of the knuckles when the hand is clenched to make a fist. (3-3-94)

**02. Additional Requirements.** Each ~~contestant~~ combatant shall use soft surgical bandage not over two (2) inches wide, held in place by not more than six (6) feet of surgeon's adhesive tape for each hand. Up to one (1) fifteen (15) yard roll of bandage may be used to complete the wrappings for each hand. Strips of tape may be used between the fingers to hold down the bandages. (3-3-94)( )

**03. Witnesses.** Bandages must be adjusted in the dressing room in the presence of ~~a representative of~~ the Commission and both ~~contestant~~ combatants. Either ~~contestant~~ combatant may waive his privilege of witnessing the bandaging of the opponent's hands. (3-3-94)( )

#### 505. **EQUIPMENT OF THE CHIEF SECOND.**

**01. Equipment.** The chief second shall equip himself with: (3-3-94)

a. A clear plastic water bottle; (3-3-94)

b. A bucket containing ice; (3-3-94)

c. A solution of a kind approved by the Commission for stopping hemorrhaging;

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- (3-3-94)
- d. Adhesive tape; (3-3-94)
  - e. Gauze; (3-3-94)
  - f. Scissors; and (3-3-94)
  - g. One (1) extra mouthpiece. (3-3-94)
02. **Ammonia.** No ammonia may be used in the ring. (3-3-94)
03. **Ring Physician.** The ring physician or ~~the~~ Commission's ~~representative~~ may at any time inspect the contents of the chief second's first-aid kit. ~~(3-3-94)~~( )

### (BREAK IN CONTINUITY OF SECTIONS)

#### 508. EQUIPMENT OF A TIMEKEEPER.

Every timekeeper shall have the equipment prescribed by the Commission and shall carry out the duties directed by the ~~representative or the~~ Commission. ~~(3-3-94)~~( )

#### 509. -- 599. (RESERVED).

#### 600. WEIGHTS AND CLASSES OF ~~BOXERS~~ COMBATANTS.

01. **Classes and Weights.** The classes and weights for each class are shown in the following schedule: (3-3-94)

- a. Strawweight -- up to one hundred five (105) pounds. (3-3-94)
- b. Light-Flyweight -- over one hundred five (105) to one hundred eight (108) pounds. (3-3-94)
- c. Flyweight -- over one hundred eight (108) to one hundred twelve (112) pounds. (3-3-94)
- d. Super Flyweight -- over one hundred twelve (112) to one hundred fifteen (115) pounds. (3-3-94)
- e. Bantamweight -- over one hundred fifteen (115) to one hundred eighteen (118) pounds. (3-3-94)
- f. Super Bantamweight -- over one hundred eighteen (118) to one hundred twenty-two (122) pounds. (3-3-94)
- g. Featherweight -- over one hundred twenty-two (122) to one hundred twenty-six



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(126) pounds. (3-3-94)

**h.** Super Featherweight -- over one hundred twenty-six (126) to one hundred thirty (130) pounds. (3-3-94)

**i.** Lightweight -- over one hundred thirty (130) to one hundred thirty-five (135) pounds. (3-3-94)

**j.** Super Lightweight -- over one hundred thirty-five (135) to one hundred forty (140) pounds. (3-3-94)

**k.** Welterweight -- over one hundred forty (140) to one hundred forty-seven (147) pounds. (3-3-94)

**l.** Super Welterweight -- over one hundred forty-seven (147) to one hundred fifty-four (154) pounds. (3-3-94)

**m.** Middleweight -- over one hundred fifty-four (154) to one hundred sixty (160) pounds. (3-3-94)

**n.** Super Middleweight -- over one hundred sixty (160) to one hundred sixty-eight (168) pounds. (3-3-94)

**o.** Light-Heavyweight -- over one hundred sixty-eight (168) to one hundred seventy-five (175) pounds. (3-3-94)

**p.** Cruiserweight -- over one hundred seventy-five (175) to one hundred ninety-five (195) pounds. (3-3-94)

**q.** Heavyweight -- all over one hundred ninety-five (195) pounds. (3-3-94)

**02. Exceeding Weight Allowances.** No contest may be scheduled and no ~~contestant~~ combatant may engage in a boxing contest without the approval of the Commission ~~or the Commission's representative~~ if the difference in weight between ~~contestant~~ combatants exceeds the allowance shown in the following schedule: ~~(3-3-94)~~( )

**a.** Up to one hundred eighteen (118) pounds -- not more than three (3) pounds. (3-3-94)

**b.** One hundred eighteen (118) to one hundred twenty-six (126) pounds -- not more than five (5) pounds. (3-3-94)

**c.** One hundred twenty-six (126) to one hundred thirty-five (135) pounds -- not more than seven (7) pounds. (3-3-94)

**d.** One hundred thirty-five (135) to one hundred forty-seven (147) pounds -- not more than nine (9) pounds. (3-3-94)

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e. One hundred forty-seven (147) to one hundred sixty (160) pounds -- not more than eleven (11) pounds. (3-3-94)

f. One hundred sixty (160) to one hundred seventy-five (175) -- not more than twelve (12) pounds. (3-3-94)

g. One hundred seventy-five (175) to one hundred ninety-five (195) pounds -- not more than twenty (20) pounds. (3-3-94)

h. One hundred ninety-five (195) pounds and over -- no limit. (3-3-94)

**03. Weigh-Ins on Day of Contest.** If a weigh-in is scheduled on the day of the contest, weight loss in excess of two (2) pounds after the time of the weigh-in is not permitted. (3-3-94)

### 601. CHAMPIONS.

**01. General.** This section applies to a boxer who has been declared the champion of his class. (3-3-94)

**02. Title Not at Stake.** A champion may engage in a contest in which his title is not at stake if the Commission consents to the contest. (3-3-94)

**03. Title at Stake.** The title of a champion is at stake if at the official weigh-in ~~shows~~ his opponent ~~shows and is determined~~ to be within the maximum weight limit of the class. Contests for the championship of the state must be held at twelve (12) rounds. If a champion in a match which has been approved by the Commission for the championship of the state has, within two (2) hours after the scheduled time for the weigh-in, failed to make the specified weight, his title must be declared vacant. ~~(3-3-94)~~( )

**04. Fighting a Boxer from Heavier Class.** The Commission may permit a champion to fight a boxer belonging to a heavier class, but no restriction of minimum weight may be placed on the opponent to prevent his weighing in as a contender for the title. The difference in weight between the ~~contestant~~ combatants may not exceed twenty (20) pounds unless both weigh over one hundred ninety-five (195) pounds. ~~(3-3-94)~~( )

**05. Commission Names Champions.** The Commission may name professional boxing champions of the state each year in each weight class. A championship may be lost by default, forfeit or inability to make the weight, but a championship may only be won in a contest. (3-3-94)

**06. Defending a Title.** The titles of champions of the state must be defended at least once every six (6) months. If a boxer does not defend his title within this period, his title is automatically vacated. (3-3-94)

**07. Presentation of Championship Belt to Commission Before Title Contest.** Every boxer who holds a belt for winning the championship of the state must present the belt to the Commission's ~~representative~~ when the title is being defended. Any donor of a championship

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belt must be approved by the Commission.

(3-3-94)( )

### (BREAK IN CONTINUITY OF SECTIONS)

#### 604. WEIGHING IN OF ~~CONTESTANTS~~ COMBATANTS.

01. **Attendees and Scales Used at Weigh-In.** Each ~~contestant~~ combatant must be weighed in the presence of the public, the other ~~contestant~~ combatant, ~~a representative of~~ the Commission and an official representing the promoter, on scales approved by the Commission at any place designated by the Commission. (3-3-94)( )

02. **Attire.** The boxer must have all weights stripped from his body before he is weighed in, but he may wear shorts. (3-3-94)

03. **Attendance by Media.** Representatives of newspapers and the electronic news media who ~~properly identify themselves~~ provide official identification as such ~~must~~ shall be admitted to each official weighing in of a ~~contestant~~ combatant. (3-3-94)( )

04. **Security.** The owner or operator of the premises in which the weighing in is held shall provide adequate security for the ~~contestant~~ combatant and other persons who are present. (3-3-94)( )

#### 605. FORFEITURE FOR FAILURE TO MAKE WEIGHT.

01. **Failure to Make Weight.** Any ~~boxer~~ combatant who fails to make the weight agreed upon in his contract forfeits: (3-3-94)( )

a. Ten percent (10%) of his purse if no lesser amount is set by the Commissioner's ~~representative~~; or (3-3-94)( )

b. A lesser amount set by the Commission, unless the weight difference is one (1) pound or less. (3-3-94)

02. **Dividing Forfeit.** A forfeit must be divided equally between the other ~~boxer~~ combatant and the Commission. (3-3-94)( )

03. **Exception.** Except as otherwise provided, if, during the two (2) hours following the time of the weigh-in, a ~~boxer~~ combatant is able to make the weight or weighs less than one (1) pound outside the agreed limits, no forfeit may be imposed or fine assessed upon him. (3-3-94)( )

#### 606. PHYSICAL AND EYE EXAMINATION OF ~~CONTESTANTS~~ COMBATANTS AT TIME OF WEIGHING IN.

A physician designated by the Commission shall give each ~~contestant~~ combatant a thorough physical and eye examination at the time of his weigh-in before the ~~bout~~ contest. (3-3-94)( )

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#### 608. ~~PHYSICIAN'S DETERMINATION OF FITNESS OF ~~CONTESTANTS~~~~ COMBATANTS AND REFEREE; CERTIFICATION; REPORT.

**01. Determination of Physician.** The physician who examines any ~~contestant~~ combatant or referee who has contracted to participate in a boxing program shall determine that a ~~contestant~~ combatant or referee shall not participate in the program and shall immediately report ~~his~~ such finding to the promoter and ~~the~~ Commission's ~~representative~~ if: (3-3-94)(\_\_\_\_)

a. The ~~contestant~~ combatant is unfit for competition; or (3-3-94)(\_\_\_\_)

b. The referee is unfit for officiating. (3-3-94)

**02. Written Certification.** If the examining physician finds that the ~~contestant~~ combatants and referees are in good physical condition, the physician shall, one (1) hour before the start of the boxing program, give written certification of those findings to the Commission's ~~representative~~. (3-3-94)(\_\_\_\_)

**03. Physician's Written Report.** Within twenty-four (24) hours after the program ends, the physician shall mail or deliver to the Commission his written report on every licensee he examined. The report must be on a form furnished by the Commission. (3-3-94)

### (BREAK IN CONTINUITY OF SECTIONS)

#### 700. ~~CONTESTANT~~ COMBATANTS MUST REPORT.

Each ~~contestant~~ combatant must report to the ~~representative of the~~ Commission in ~~charge of the~~ dressing rooms at least one (1) hour before his scheduled time of the first match. (3-3-94)(\_\_\_\_)

#### 701. BOXER'S COSTUME AND EQUIPMENT.

**01. Costume.** Each ~~boxer~~ combatant on a program must provide himself with the ring costume selected and approved by the Commission. (3-3-94)(\_\_\_\_)

**02. Trunks.** Each ~~boxer~~ combatant signed to engage in a contest must appear at scheduled ring time equipped with two (2) pairs of regulation trunks. One (1) pair must be white. The second pair may be a color of the boxer's own choice (other than white). These trunks may bear an emblem or insignia if it is not of a commercial or advertising nature. The articles of agreement must specify the colors of trunks to be worn by each ~~contestant~~ combatant. The ~~contestants~~ combatants may not wear the same colors in the ring without the approval of the Commission's ~~representative~~. (3-3-94)(\_\_\_\_)

**03. Fit.** The trunks must be loose fitting and made of a lightweight cloth similar to an athlete's "running pants." The belt of the trunks must not extend above the waist line. (3-3-94)

**04. Other Equipment.** Each ~~boxer~~ combatant must wear: (3-3-94)(\_\_\_\_)

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- a. A mouthpiece which has been individually fitted; and (3-3-94)(\_\_\_\_)
- b. An abdominal cup which will protect him against injury from a foul blow. (3-3-94)

#### 702. ~~CONTESTANT~~ COMBATANT'S PHYSICAL APPEARANCE.

**01. Appearance.** Each ~~contestant~~ combatant must be clean and present a tidy appearance. (3-3-94)(\_\_\_\_)

**02. Grease or Foreign Substances.** The excessive use of grease or any other foreign substance may not be used on the face of a ~~contestant~~ combatant. The referees or the Commission's ~~representative in charge~~ shall cause any excessive grease or foreign substance to be removed. (3-3-94)(\_\_\_\_)

**03. Hair.** The Commission's ~~representative~~ shall determine whether head or facial hair presents any hazard to the safety of the ~~contestant~~ combatant or his opponent or will interfere with the supervision and conduct of the contest. (3-3-94)(\_\_\_\_)

#### 703. PROCEDURE FOR USE OF SCORECARDS.

**01. Scorecards.** The Commission's ~~representative in charge at a boxing bout~~ shall, before the start of the ~~bout~~ contest, give scorecards to each judge. (3-3-94)(\_\_\_\_)

**02. Scoring by Judges.** The judges shall score each round of the ~~bout~~ contest on an individual scorecard and sign it. The referee shall pick up the scorecard from each judge and turn in the scorecards at the Commission's desk before the start of each round. (3-3-94)(\_\_\_\_)

**03. Presentation of Scorecards to Press After Bout Contest.** The Commission's ~~representative~~ may show the scorecards to accredited representatives of the press after the completion of the ~~bout~~ contest. (3-3-94)(\_\_\_\_)

**04. Delivery of Scorecards to Commission.** The Commission's ~~representative~~ shall mail or deliver the scorecards ~~with the rest of his~~ together with required reports regarding the ~~bout~~ contest to the ~~office of the Commission~~ Bureau. (3-3-94)(\_\_\_\_)

**05. Report of Each Bout Contest.** Reports of each ~~bout~~ contest will be kept on file in the office of the ~~Commission~~ Bureau. (3-3-94)(\_\_\_\_)

#### 704. METHOD OF JUDGING.

**01. Scoring by Judges.** Each judge shall score every contest and determine the winner through the use of the following system: (3-3-94)

a. The better ~~boxer~~ combatant of a round receives ten (10) points and his opponent proportionately less. (3-3-94)(\_\_\_\_)

b. If the round is even, each ~~boxer~~ combatant receives ten (10) points. (3-3-94)(\_\_\_\_)

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c. No fraction of points may be given. (3-3-94)

d. Points for each round must be awarded immediately after the end of the round. (3-3-94)

**02. Majority Opinion.** After the end of the contest the announcer shall pick up the scores of the judges from the Commission's desk. The majority opinion is conclusive and if there is no majority the decision is a draw. (3-3-94)

**03. Announcing a Winner.** When the ~~representative of the~~ Commission has checked the scores, ~~he shall inform~~ the announcer shall be informed of the decision, and the announcer shall inform the audience of the decision over the ~~speaker~~ available public address system. (3-3-94)( )

#### 705. INTRODUCTION FROM RING.

Only a ~~boxer, wrestler~~ combatant or person officially identified with boxing or wrestling may be introduced from the ring at an event, except with specific authority to do so from the ~~representative of the~~ Commission. (3-3-94)( )

#### 706. REFEREE'S INSTRUCTIONS TO ~~CONTESTANTS~~ COMBATANTS.

The referee shall, before starting a contest, ascertain from each ~~contestant~~ combatant the name of his chief second, ~~and shall hold the chief~~ who shall be responsible for the conduct of the assistant seconds during the progress of the contest. The referee shall call ~~contestant~~ combatants together before each ~~bout~~ contest for final instructions, at which time each ~~contestant~~ combatant must be accompanied by his chief second only. (3-3-94)( )

### (BREAK IN CONTINUITY OF SECTIONS)

#### 715. FOULS -- DISQUALIFICATION OF ~~BOXER~~ COMBATANT AND WITHHOLDING OF PURSE.

Any ~~boxer~~ combatant guilty of a foul in a boxing contest may be disqualified by the referee and ~~his~~ the participant's purse ordered withheld by ~~a the Commissioner or the Commissioner's representative.~~ Disposition of the purse and the penalty to be imposed upon the ~~boxer~~ combatant will be determined by the Commission. (3-3-94)( )

#### 716. ACCIDENTAL FOULING.

**01. ~~Bout Stopped Because of~~ Accidental Foul.** If a ~~bout~~ contest is stopped because of an accidental foul, the referee shall determine whether the ~~boxer~~ combatant who has been fouled can continue or not. If the ~~boxer~~ combatant's chance of winning has not been seriously jeopardized as a result of a foul, the referee may order the ~~bout~~ contest continued after a reasonable interval. Before the ~~bout~~ contest begins again, the referee shall inform the Commission of his determination that the foul was accidental. (3-3-94)( )

**02. ~~Bout~~ Contest Stopped Due to Accidental Foul.** If the referee determines that the

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~~bout~~ contest may not continue because of an injury suffered as the result of an accidental foul, the bout must be declared a draw if the foul occurs during ~~the first three (3) rounds~~ one-half (1/2) of the total scheduled rounds. (3-3-94)( )

03. ~~Contestant~~ Combatant **Unable to Finish Bout.** If an accidental foul renders a ~~contestant~~ combatant unable to continue the bout after the third round, the outcome must be determined by scoring the completed rounds and the round during which the referee stops the ~~bout~~ contest. (3-3-94)( )

04. ~~Bout~~ Contest **Stopped by Referee.** If an injury inflicted by an accidental foul later becomes aggravated by fair blows and the referee orders the ~~bout~~ contest stopped because of the injury, the outcome must be determined by scoring the completed rounds and the round during which the referee stops the ~~bout~~ contest. (3-3-94)( )

### (BREAK IN CONTINUITY OF SECTIONS)

## 722. KNOCKDOWN OF ~~CONTESTANT~~ COMBATANT; PROCEDURE FOR COUNTING.

01. **Knockdown.** When a ~~contestant~~ combatant is knocked down, the referee shall order the opponent to retire to the farthest neutral corner of the ring, pointing to the corner, and immediately begin the count over the ~~boxer~~ combatant who is down. The referee shall audibly announce the passing of the seconds, accompanying the count with motions of his arm, the downward motion indicating the end of each second. (3-3-94)( )

02. **Timekeeper.** The timekeeper, by effective signaling, shall give the referee the correct one (1) second interval for his count. The referee's count is the official count. Once the referee picks up the count from the timekeeper, the timekeeper shall cease counting. No ~~contestant~~ combatant who is knocked down may be allowed to resume boxing until the referee has finished counting to eight (8). The ~~contestant~~ combatant may take the count either on the floor or standing. (3-3-94)( )

03. **Failure of Opponent to Stay in Farthest Neutral Corner.** If the opponent fails to stay in the farthest neutral corner, the referee shall cease counting until he has returned to his corner and shall then go on with the count from the point at which it was interrupted. If the ~~boxer~~ combatant who is down arises during the count, the referee may step between the ~~contestant~~ combatants long enough to assure himself that the ~~boxer~~ combatant just arisen is in condition to continue. If so assured, he shall, without loss of time, order both ~~boxer~~ combatants to go on with the contest. During the intervention by the referee the striking of a blow by either ~~boxer~~ combatant may be ruled a foul. (3-3-94)( )

04. **Knock-Out.** When a ~~boxer~~ combatant is knocked out, the referee shall perform a full ten (10) second count unless, in the judgment of the referee, the safety for the ~~contestant~~ combatant would be jeopardized by such a count. If the ~~contestant~~ combatant who is knocked down is still down when the referee calls the count of ten (10), the referee shall wave both arms to indicate that he had been knocked out and shall raise the hand of the opponent as the winner.

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**05. Both ~~Boxers~~ Combatants Down.** If both ~~boxer~~ combatants go down at the same time, the count shall be continued as long as one (1) is still down. If both ~~boxer~~ combatants remain down until the count of ten (10), the contest must be stopped and the decision is a technical draw. (3-3-94)( )

**06. ~~Boxer~~ Combatants Down -- Referee Counting.** If a ~~boxer~~ combatant is down and the referee is in the course of counting at the end of: (3-3-94)( )

**a.** A round other than the final round, the bell indicating the end of the round must not be sounded, but the bell must be sounded as soon as the downed ~~boxer~~ combatant regains his feet. (3-3-94)( )

**b.** The final round, the bell must be sounded indicating the end of the round and contest. (3-3-94)

**07. ~~Boxer~~ Combatant Down -- Round Terminates.** When a ~~contestant~~ combatant has been knocked down before the normal termination of a round and the round terminates before he has arisen from the floor of the ring: (3-3-94)( )

**a.** If the round is other than the final round, the referee's count must be continued. If the ~~contestant~~ combatant who is down fails to arise before the count of ten (10), he is considered to have lost the ~~bout~~ contest by a knockout in the round that was just concluded. (3-3-94)( )

**b.** If the round is the final round, the referee's count must be continued upon the sound of the bell terminating the round. (3-3-94)

**08. Knockdown After Bell Has Sounded.** If a legal blow struck in the final seconds of a round causes a ~~fighter~~ combatant to go down after the bell has sounded, that knockdown must be regarded as having occurred during the round just ended and the appropriate count must continue into the rest period following the bell. (3-3-94)( )

**09. Three Knockdowns in Same Round.** Any ~~boxer~~ combatant who is knocked down three (3) times in the same round automatically loses the contest by technical knockout. The Commission may, by prior directive, waive the provisions of this subsection. (3-3-94)( )

### (BREAK IN CONTINUITY OF SECTIONS)

## 725. PROCEDURE WHEN ~~BOXER~~ COMBATANT IS KNOCKED OUT; PERIOD BEFORE HIS NEXT ~~BOUT~~ CONTEST; EXAMINATION IN CASE OF HEAD INJURY.

**01. ~~Boxer~~ Combatant Who Has Been Knocked Out.** A ~~boxer~~ combatant who has been knocked out must be kept in a prone position until he has recovered. Except for the referee or chief second who may remove his mouthpiece, no one may touch him until the ring physician enters the ring, attends him and issues any instructions to his handlers. (3-3-94)( )



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**02. Decision of Technical Knockout Rendered by Referee.** If the referee has rendered a decision of technical knockout against a ~~boxer~~ combatant, the participant must be placed on the ill and unavailable list for a period designated by the Commission's ~~representative~~ after consultation with the Commission's physician, but that period must not be less than fifteen (15) days. The ~~boxer~~ combatant may not engage in any contact boxing during this period without the approval of the Commission. (3-3-94)( )

**03. Knockout from Blow to Head.** If a ~~boxer~~ combatant has been knocked out by a blow to the head, he must be placed on the ill and unavailable list for at least thirty (30) days. Before he is reinstated, he must satisfactorily pass an examination performed with a computerized tomographic scanning device or an electroencephalogram, or both, if the Commission or its physician finds that such an examination is necessary to determine his condition. (3-3-94)( )

**04. Head Injury.** Whenever it appears that a ~~boxer~~ combatant may have suffered a head injury, he must undergo such an examination if directed to do so by the Commission or its physician. (3-3-94)( )

### (BREAK IN CONTINUITY OF SECTIONS)

#### ~~731. AMATEUR BOXING.~~

~~**01. Recognition of Amateur Bout.** The Commission will recognize an amateur bout only if it is registered and sanctioned by the United States Amateur Boxing, Inc. (USA Boxing, Inc.) as a boxing contest. (3-3-94)~~

~~**02. Rules Governing Amateur Boxing.** An amateur boxing contest is governed by the rules of the USA Boxing, Inc. for the conduct of such a contest. (3-3-94)~~

~~**03. Registration of Amateurs.** An amateur may not take part in a boxing contest unless he is registered with the USA Boxing, Inc. (3-3-94)~~

#### ~~7321. MARTIAL ARTS.~~

**01. Martial Arts Regulated as Boxing.** Martial arts exhibitions and contests involving combative contact between contestants or between participants, such as body-to-body blows, holds, kicks, or throws, and full-contact martial arts exhibitions and contests, are subject to and must comply with all provisions of Title 54, Chapter 4, Idaho Code, relating to boxing, and all Commission rules relating to boxing, except to the extent specifically exempted by statute or rule. (4-6-05)

**02. Practices, Belt Promotions, and Non-Contact Demonstrations.** Martial arts practices, belt promotion testing and demonstrations (as used herein the term demonstrations means exhibitions that do not involve combative contact between contestants or between participants) conducted by martial arts schools are not considered to be boxing and are exempt from the licensing requirements of Title 54, Chapter 4, Idaho Code. (4-6-05)

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**03. Licensing Exemption.** Martial arts schools that meet the conditions set forth within Section 54-406(2)(b), Idaho Code, may apply to the Commission for exemption from licensing and sanctioning permit requirements relating to exhibitions and contests. (4-6-05)

**04. Use of Official Rules for Art.** Martial arts contests and exhibitions must be conducted pursuant to the official rules of the particular art. The sponsoring organization or promoter must file a copy of the official rules with the Commission before the Commission will issue a sanctioning permit for the contest or exhibition. (4-6-05)

**05. Boxing Gloves.** The requirement set forth in Section 54-414, Idaho Code, of wearing boxing gloves applies to kickboxing but shall not apply to any other form of martial art unless the use of boxing gloves is required by the official rules of that particular art. Any gloves utilized shall be in good condition as approved by the commission. For the main and semi main events gloves shall be in new condition and of the same brand for combatants. ~~(4-6-05)~~( )

**06. Other Requirements and Limitations.** Except to the extent set forth in Rule 732, all requirements and the limitations relating to boxing (as set forth within Title 54, Chapter 4, Idaho Code, and in the remaining rules of the Commission) shall apply to all martial arts contests and exhibitions. Notwithstanding the foregoing, at its sole discretion, the Commission may (by specific reference in the sanctioning permit) allow the use of other requirements and limitations during a particular martial arts contest or exhibition. (4-6-05)

~~732.~~ -- 799. (RESERVED).

### (BREAK IN CONTINUITY OF SECTIONS)

#### **802. LICENSEE'S DUTIES AT WRESTLING EXHIBITION.**

**01. Conduct.** The referee, promoter and his agents, attaches and employees, and participants in any wrestling exhibition shall maintain peace, order and decency in the conduct of the exhibition. (3-3-94)

**02. No Abusive Behavior.** A person who is involved in such exhibition shall not abuse the referee or an official of the Commission. (3-3-94)

**03. Decision and Appeal.** The Commission's ~~executive director~~ shall hear any complaint about a referee or an official. ~~The executive director's decision on such a complaint may be appealed to the Commission.~~ (3-3-94)( )

### (BREAK IN CONTINUITY OF SECTIONS)

~~**804. WRESTLING, BOOKING AGENTS, LICENSING, RESPONSIBILITIES.**~~

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~~01. Licensing. The Commission may issue a person a license as a booking agent if:~~  
(3-3-94)

~~a. The person completes the application;~~ (3-3-94)

~~b. The Commission determines the person is qualified; and~~ (3-3-94)

~~c. The person pays the fee for the license.~~ (3-3-94)

~~02. Booking Agent Responsibilities. A booking agent who is licensed by the Commission may arrange for exhibitions by wrestlers and otherwise assist wrestler in obtaining work. Any promoter desiring to book the wrestlers directly may do so, however, he must work through a booking agent who is licensed by the Commission. The booking agent is responsible to the Commission for the filing of all contracts and notices required by law.~~  
(3-3-94)

~~03. Booking Offices. A wrestler shall specify which booking offices are authorized to book an exhibition for him. This authority may be terminated upon ten (10) days notice to the Commission or as specified in the written agreement between the wrestler and the booking agent filed with and approved by the Commission.~~  
(3-3-94)

8054. -- 899. (RESERVED).

### 900. ADMINISTRATION OR USE OF ALCOHOL, DRUGS, STIMULANTS.

01. Prohibitions. The administration of or use of any of the following, in any part of the body either before or during an match event, to or by any boxer combatant is prohibited:  
(3-3-94)( )

a. Alcohol; (3-3-94)

b. Drugs; (3-3-94)

c. Injection; or (3-3-94)

d. Stimulant. (3-3-94)

02. Urinalysis. A boxer combatant shall submit to a urinalysis of chemical test before or after a contest if the Commission directs him to do so.  
(3-3-94)( )

03. Suspension. No boxer combatant will be allowed to box if his urinalysis testing reveals the presence of illegal substance(s).  
(3-3-94)( )

04. Procedure for Testing for Illegal Substance(s). (3-3-94)

a. The Commission reserves the right to conduct random drug testing. A boxer combatant with a recent history of drug abuse may be specifically required to test. Both boxer combatants in the title bout contest will shall be tested by urine specimen or blood test at the discretion of the commission.  
(3-3-94)( )

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b. The ~~boxer(s)~~ combatant to be tested shall go directly to ~~his~~ the dressing room after the end of the fight. Only water may be consumed until the test sample has been taken. The Commission's ~~medical-representative~~ approved physician or agent will give ~~the boxer~~ each combatant the ~~sample~~ specimen container and observe the ~~boxer~~ combatant give the specimen into the container. The container shall be sealed and labeled by the ~~medical-representative~~ physician or agent. The Chain of Custody Form shall be signed by the ~~boxer~~ combatant, or ~~his~~ manager, and the ~~medical-representative~~ physician or agent shall also sign and date ~~also~~ the form. The ~~medical-representative~~ physician or agent shall transport the sample to the testing laboratory as selected by the Commission. Any other person taking custody of the sample shall sign and date The Chain of Custody Form. After completion of the test, the Chain of Custody Form shall be returned to the Commission with the test results. (3-3-94)(\_\_\_\_)

05. **Subject to Disciplinary Action.** A licensee who violates any provision of this Section is subject to disciplinary action by the Commission. (3-3-94)

### (BREAK IN CONTINUITY OF SECTIONS)

#### 902. **BOXER COMBATANT NOT TO HAVE PROMOTER OR CERTAIN OTHERS ACT AS MANAGER OR HOLD FINANCIAL INTEREST.**

A ~~boxer~~ combatant may not have a promoter or any of its members, stockholders, officials, matchmakers or assistant matchmakers: (3-3-94)(\_\_\_\_)

01. **Manager.** Act directly ~~of~~ or indirectly as ~~his~~ manager; or (3-3-94)(\_\_\_\_)

02. **Financial Interest.** Hold any financial interest in ~~his~~ the management ~~or~~ of ~~his~~ the combatant's earnings ~~from boxing~~. (3-3-94)(\_\_\_\_)

#### 903. **REPORT TO COMMISSION OF SOLICITATION TO CONDUCT CONTEST FRAUDULENTLY.**

When any person who is licensed by the Commission is approached with a request ~~of~~ or suggestion that a contest not be conducted honestly, that person must immediately report that matter to the Commission. Failure to do so is a ground for disciplinary action. (3-3-94)(\_\_\_\_)

### (BREAK IN CONTINUITY OF SECTIONS)

#### 905. **GROUND FOR DISCIPLINARY ACTION.**

Any person who is licensed by the Commission may have his license suspended or revoked, ~~of he~~ may or be fined or ~~be subject to~~ otherwise disciplined by the Commission ~~if he has~~ for any of the following: (3-3-94)(\_\_\_\_)

01. **Violation of Laws.** Having ~~Violated~~ the laws of Idaho, except for minor traffic violations. (3-3-94)(\_\_\_\_)

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02. **Violation of Rules.** ~~Having~~ ~~violated~~ any provisions of this chapter. (3-3-94)( )
03. **Valid Orders of Commission.** Failed ~~of~~ or refused to comply with a valid order of the Commission. (3-3-94)( )
04. **Good Conduct.** Conducted ~~himself~~ at any time or place in a manner which is deemed by the Commission to reflect discredit to boxing or wrestling. (3-3-94)( )

### (BREAK IN CONTINUITY OF SECTIONS)

#### 908. SUSPENSION AND REVOCATION OF LICENSES.

01. **Comply with Suspensions.** Every promoter and matchmaker shall take notice of the bulletins of suspension sent out by the Commission and shall not permit any person under suspension to take any part as a participant or in arranging or conducting matches or exhibitions during the period of suspension. (3-3-94)
02. **Additional.** Every person whose license has been suspended or revoked by the Commission shall refrain from participating in or matchmaking or holding ~~bouts~~ contests during the period of suspension or after the revocation. (3-3-94)
03. **Specific Actions.** Any person whose license has been suspended or revoked is barred from: (3-3-94)
- a. The dressing rooms at the premises where any program of boxing is being held; (3-3-94)
  - b. Occupying any seat within six (6) rows of the ring platform; (3-3-94)
  - c. Approaching within six (6) rows of seats from the ring platform; and (3-3-94)
  - d. Communicating in the arena or near the dressing rooms with any of the principals in the ~~bouts~~ contests, their managers, their seconds, of the referee, whether directly or by a messenger, during any ~~boxing~~ program. (3-3-94)( )
  - e. Any person who violates a provision of ~~this s~~ Subsection 908.03 of this rule may be ejected from the arena or building where the program is being held, and the price paid for ~~his ticket~~ admission refunded ~~to him~~ upon ~~his~~ presentation of the ticket stub at the box office. Thereafter, he is barred entirely from all premises used for contests or exhibitions while the programs are being held. (3-3-94)( )
04. **Dishonest Methods.** If a license issued by the Commission has been suspended because the holder used dishonest methods to affect the outcome of any contest or because of any conduct reflecting serious discredit upon the sport of boxing, the Commission will not reinstate the license for six (6) months in the case of first offense. In the case of a second offense, the

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holder's license will be revoked.

(3-3-94)( )

**05. Temporary Suspension.** Any manager who is under temporary suspension is considered to have forfeited all rights in this state under the terms of any contract with a ~~boxer or wrestler~~ combatant licensed by the Commission. Any attempt by a suspended manager to exercise those contract rights will result in a permanent suspension of his license. The license of any ~~boxer~~ combatant, matchmaker, or promoter ~~or wrestler~~ who continues to engage in any contractual relations with a manager whose license has been suspended by the Commission may be indefinitely suspended.

(3-3-94)( )

**06. Continuation.** A ~~boxer~~ combatant whose manager has been suspended may continue ~~boxing~~ to compete independently during the term of that suspension, signing ~~his own~~ contracts for matches. Payment of a ~~boxer~~ combatant's earnings may not be made by any promoter to a manager who is under suspension, or to ~~his~~ a suspended manager's agent, but ~~the purse must~~ shall be paid in full to the ~~boxer~~ combatant.

(3-3-94)( )

**07. Cancellation of Contract Rights.** Revocation of a manager's license automatically cancels all ~~his~~ contract rights in this state under any contracts with ~~boxers~~ combatants made under the authority of the Commission. If such a revocation occurs, a ~~boxer~~ combatant may operate independently and make ~~his own~~ contracts ~~with other~~ for matches or ~~he may~~ enter into contracts with other managers licensed by the Commission.

(3-3-94)( )

### 909. PENALTIES FOR CERTAIN VIOLATIONS; REVIEW BY COMMISSION.

**01. Penalties General.** Except as otherwise provided in this chapter, ~~a Commissioner or the Commission's representative~~ may charge a penalty not to exceed twenty-five thousand dollars (\$25,000) from a schedule of penalties approved by the Commission for:

(3-3-94)( )

a. Any violation of the provisions of the Rules of the Athletic Commission; or  
(3-3-94)

b. Being late or failing to appear for a weigh-in or contest. (3-3-94)( )

**02. Later Review.** Any disciplinary action taken pursuant to (previous citation Subsection 909.01) will be reviewed at a later date by the Commission. (3-3-94)

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### **IDAPA 52 - IDAHO STATE LOTTERY COMMISSION**

#### **52.01.03 - RULES GOVERNING OPERATIONS OF THE IDAHO STATE LOTTERY**

##### **DOCKET NO. 52-0103-0701 (FEE RULE - NEW CHAPTER)**

##### **NOTICE OF RULEMAKING - ADOPTION OF PENDING FEE RULE**

**EFFECTIVE DATE:** This rule has been adopted by the agency and is now pending review by the 2008 Idaho State Legislature for final approval. Pursuant to Section 67-5224(5)(c), Idaho Code, this pending rule will not become final and effective until it has been approved, amended, or modified by concurrent resolution of the legislature because of the fee being imposed or increased through this rulemaking. The rule becomes final and effective upon adoption of the concurrent resolution or upon the date specified in the concurrent resolution.

**AUTHORITY:** In compliance with Section 67-5224, Idaho Code, notice is hereby given that the Lottery Commission has adopted a pending rule. The action is authorized pursuant to Section 67-7408(1), Idaho Code.

**DESCRIPTIVE SUMMARY:** The following is a concise explanatory statement of the reasons for adopting the pending rule and a statement of any change between the text of the proposed rule and the text of the pending rule with an explanation of the reasons for the change:

The proposed rules, other than as shown below, are adopted for the reasons that they were originally proposed as stated at page 271 of the Idaho Administrative Bulletin of September 5, 2007, Vol. 07-09. New Rule 7 and revised Rule 10 are adopted in response to a letter from the Research and Legislation Staff of the Legislative Services Offices sent to the Joint Germane Subcommittees, dated August 24, 2007, that suggested that any rules explaining or elaborating the meaning of the Lottery's or the Director's statutory duties and any explanation or elaboration of statutorily defined terms in Rule 10 had the potential to create discrepancies between the statute and the rules. In light of that, a new Rule 7 and a revised Rule 10 are adopted as pending rules to address those concerns.

The text of the pending rule has been amended in accordance with Section 67-5227, Idaho Code. Only those sections that have changes that differ from the proposed text are printed in this bulletin. The original text of the proposed rule was published in the Wednesday, September 5, 2007, Idaho Administrative Bulletin, Vol. 07-09, pages 271 through 308.

**FEE SUMMARY:** The following is a specific description of the fee or charge imposed or increased: No fees or charges are imposed or increased: Existing fees remain unchanged.

**FISCAL IMPACT:** The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: There will be no fiscal impact.

**ASSISTANCE ON TECHNICAL QUESTIONS:** For assistance on technical questions concerning the pending rules, contact Jeffrey R. Anderson, Director, telephone (208) 334-2600/ fax (208) 334-3522/ e-mail: janderson@lottery.idaho.gov.

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**IDAHO STATE LOTTERY COMMISSION**  
**Rules Governing Operations of the Idaho State Lottery**

**Docket No. 52-0103-0701**  
**PENDING FEE RULE**

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DATED this 23rd day of October, 2007.

Jeffrey R. Anderson, Director  
Idaho State Lottery Commission  
1199 Shoreline Lane  
P.O. Box 6537, Boise, ID 83707-6737  
Tel: (208) 334-2600 / Fax: (208) 334-3522

### THIS NOTICE WAS PUBLISHED WITH THE PROPOSED RULE

**AUTHORITY:** In compliance with Section 67-5221, Idaho Code, notice is hereby given that the Idaho State Lottery has initiated proposed rulemaking procedures. This action is authorized pursuant to Section 67-7408(1), Idaho Code.

**PUBLIC HEARING SCHEDULE:** Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency not later than September 19, 2007.

The hearing site will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

**DESCRIPTIVE SUMMARY:** The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

This new chapter 52.01.03, will contain only rules governing the operation of the Idaho State Lottery. Further, it is now time to revisit the language and substance of the Lottery rules to bring them into conformity with current practice and legal requirements. For example, Rules 0 through 6 are added to meet the requirements of the Administrative Rules Coordinator. Rule 10, definitions now incorporate amendments to the Lottery statutes made since Rule 10 was first adopted in 1993. Wherever possible, rules are simplified and made consistent. For example, there were three similar but not identical rules on how to treat Lottery winnings paid to an estate. These rules make them identical. See Rules 100.17, 202.14, and 204.15. For the most part there are no substantive changes intended from current practice, only clarification and conformance with changes in the law.

**FEE SUMMARY:** The following is a specific description of the fee or charge imposed or increased: No fees or charges are imposed or increased: Existing fees remain unchanged.

**FISCAL IMPACT:** The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking: There will be no fiscal impact to the state's general fund from these rules.



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**NEGOTIATED RULEMAKING:** Pursuant to IDAPA 04.11.01.811, negotiated rulemaking was not conducted. The Lottery Rules do not govern the general public or certain identified industries. The Lottery rules govern the Lottery itself and those contract with the Lottery and who play its games. Given the contractual nature of the Lottery's interaction with the persons most affected by these rules, the Lottery drew upon its knowledge of its contractors and customers to formulate its rule changes.

**ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS:** For assistance on technical question concerning the proposed rule, contact Steve Woodall, telephone 208-334-2600/fax 208.334.2610/e-mail: swoodall@lottery.idaho.gov.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to Steve Woodall and must be delivered to the Idaho State Lottery on or before September 26, 2007.

DATED this 3rd day of August, 2007.

### THE FOLLOWING IS THE TEXT OF THE PENDING FEE RULE

#### **IDAPA 52 TITLE 01 CHAPTER 03**

#### **52.01.03 - RULES GOVERNING OPERATIONS OF THE IDAHO STATE LOTTERY**

##### **000. LEGAL AUTHORITY (RULE 0).**

These rules are adopted under the general legal authority of Title 67, Chapter 74, Idaho Code, and the specific legal authority of Sections 67-7401, 67-7404, 67-7406, 67-7408, and 67-7411, Idaho Code. ( )

##### **001. TITLE AND SCOPE (RULE 1).**

The title of these rules are 52.01.03, "Rules Governing Operations of the Idaho State Lottery." ( )

##### **002. WRITTEN INTERPRETATIONS (RULE 2).**

All written interpretations of these rules are available for public inspection and copying at the offices of the Idaho State Lottery, 1199 Shoreline Lane Boise, Idaho. ( )

##### **003. ADMINISTRATIVE APPEALS (RULE 3).**

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There are no contested cases and no administrative appeals under Title 67, Chapter 74, Idaho Code, or under these rules. ( )

#### **004. INCORPORATION BY REFERENCE (RULE 4).**

These rules do not incorporate by reference any other legal authority. ( )

#### **005. OFFICE -- OFFICE HOURS -- MAILING ADDRESS AND STREET ADDRESS (RULE 5).**

**01. Street Address.** The Idaho State Lottery is located at 1199 Shoreline Lane, Boise, Idaho 83702. ( )

**02. Mailing Address.** The Idaho State Lottery's mailing address is PO Box 6537, Boise, Idaho 83707-6537. ( )

**03. Office Hours.** The office hours of the Idaho State Lottery for purposes customer service are 8:00 a.m. through 6:00 p.m. ( )

#### **006. PUBLIC RECORDS ACT COMPLIANCE (RULE 6).**

These rules have been promulgated in accordance with the Administrative Procedure Act, Title 67, Chapter 52, Idaho Code, and are a public record. ( )

#### **007. PURPOSE AND EFFECT OF RULES ELABORATING GENERALLY WORDED STATUTES (RULE 7).**

*Many rules in this chapter elaborate upon generally worded statutes. It is the intent of those rules to inform the public of the actual practices under those statutes. If there is any inadvertent conflict between the statute and the rule, the statute prevails.* ( )

#### **008. -- 009. (RESERVED).**

#### **010. DEFINITIONS (RULE 10).**

As used throughout these rules these terms have the following definitions: ( )

**01. Administrative Costs.** See definition in Section 67-7404, Idaho Code. ( )

**02. Benefit.** Any thing, property or money, favorable consideration or advantage, profit, privileges, gain or interest to which a person is not otherwise entitled. ( )

**03. Certificate.** The signed document issued by the Director authorizing a retailer to sell Lottery products. ( )

**04. Commission or State Lottery Commission.** The Commission established and appointed as provided by Chapter 74, Title 67, Idaho Code, in particular Section 67-7405, Idaho Code. See definition in Section 67-7404, Idaho Code. ( )

**05. Commissioner.** A member of the Idaho State Lottery Commission. ( )

**06. Control Person.** A person in a position of authority that is primarily defined

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### IDAHO STATE LOTTERY COMMISSION Rules Governing Operations of the Idaho State Lottery

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according to organizational type. The following are control persons: ( )

**a.** In a privately-owned corporation, the officers, directors, and stockholders of the parent company who own five percent (5%) or more of the company's stock and, if applicable, any of its subsidiaries. ( )

**b.** In a publicly-owned corporation, the officers and directors of the parent company and each of its subsidiaries. Additionally, stockholders who own five percent (5%) or more of the corporation's stock are control persons. ( )

**c.** In a trust, the trustee and all persons entitled to receive income or benefit from the trust. ( )

**d.** In an association, the members, officers, and directors. ( )

**e.** In a partnership or joint venture, the general partners, limited partners, or joint venturers. ( )

**f.** A member of the immediate family of any of who is a control person under parts a through e of this definition. ( )

**g.** A subcontractor of a Vendor if the subcontractor performs more than half of the Vendor's contract with the Lottery. ( )

**07. Director.** *The person appointed and confirmed as Director of the Idaho State Lottery as provided by Section 67-7407, Idaho Code, or, as context requires, any other person to whom the Director's authority has been delegated, in writing, by the Director before the action was taken by the delegate. See definition in Section 67-7407, Idaho Code.* ( )

**08. Executive Staff.** The director of Lottery Security and the deputy directors appointed by the Director. ( )

**09. Expenses.** *See definition in Section 67-7407, Idaho Code.* ( )

**10. Fiscal Year.** The Lottery's fiscal year of twelve (12) months beginning on July 1 and ending on June 30. ( )

**11. Gift.** A transfer, exchange or delivery of anything, property or money, of any value whatsoever, with or without an expectation by the giver to receive anything, tangible or intangible, in return. ( )

**12. Immediate Family.** A natural person's spouse, children, brother, sister, or parent by blood, marriage, or adoption who resides as a member of the same household in the principal place of residence of any contractor, vendor, retailer, member, or employee of the Idaho State Lottery. ( )

**13. Instant Game.** A game in which a ticket is purchased and upon removal of a latex or similar secure covering on the front of the ticket, the ticket bearer determines his or her

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winnings, if any. ( )

**14. Invitation to Bid.** The solicitation of competitive offers in which specifications, price, and delivery (or project completion) will be the predominant award criteria. ( )

**15. Lottery or State Lottery.** The Idaho State Lottery established and operated pursuant to the constitution and the Idaho State Lottery Act of 1988, *as amended, and created by* Section 67-7402, Idaho Code. *See definition in Section 67-7407, Idaho Code.* ( )

**16. Lottery Contract or Contract.** Any contract entered into either by the Lottery or for the Lottery by another public agency, for the purchase, lease, or sale of goods or services. ( )

**17. Lottery Contractor or Contractor.** *See definition in Section 67-7407, Idaho Code.* ( )

**18. Lottery Employee or Employee.** Any person who works full- or part-time for the Lottery. ( )

**19. Lottery Game or Game.** Any procedure authorized by the Commission whereby prizes are distributed among persons who have paid, or unconditionally agreed to pay, for tickets or shares which provide the opportunity to win such prizes. Lottery game themes shall be approved by the Commission, shall be consonant with the dignity of the state. ( )

**20. Lottery Game Retailer or Retailer.** *See definition in Section 67-7407, Idaho Code.* ( )

**21. Lottery Revenue.** *See definition in Section 67-7407, Idaho Code.* ( )

**22. Lottery Vendor or Vendor.** *See definition in Section 67-7407, Idaho Code.* ( )

**23. Low, Medium and High Tier Claims.** *See definition in Section 67-7407, Idaho Code.* ( )

**24. Major Procurement.** *See definition in Section 67-7407, Idaho Code.* ( )

**25. Net Income.** *See definition in Section 67-7407, Idaho Code.* ( )

**26. On-Line System.** The Lottery's on-line computer wagering system consisting of ticket issuing terminals, central processing equipment, and a communications network. ( )

**27. Person.** *See definition in Section 67-7407, Idaho Code.* ( )

**28. Play Symbols.** The numbers or symbols appearing in the designated area under the removable covering on the front of the ticket. ( )

**29. Prize.** Any award, financial or otherwise, awarded by the Director for successfully playing a Lottery game. ( )

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- 30. Redemption Value.** *See definition in Section 67-7407, Idaho Code.* ( )
- 31. Request for Proposal.** The solicitation of competitive proposals, or offers, to be used in part as a basis for making an acquisition, or entering into a contract, when specification and price will not necessarily be the predominant award criteria. ( )
- 32. Retailer Validation Code.** The symbols found under the removable rub-off covering over the play symbols on the front of each ticket. ( )
- 33. Sensitive Procurement.** Those procurement actions or contracts, other than “major procurements,” that may either directly or indirectly affect the integrity, security, honesty, and fairness of the operation and administration of the Lottery. A typical example of this class of procurement is the acquisition of security systems that protect the security and integrity of the Lottery. ( )
- 34. Share.** *See definition in Section 67-7407, Idaho Code.* ( )
- 35. State Lottery Act of 1988 or Act.** The Act approved by the Legislature creating the Lottery, which became effective November 23, 1988, *as amended*, which is codified at Chapter 74, Title 67, Idaho Code. ( )
- 36. Subcontractor.** Any third party not in the employment of a Contractor, who is performing all or part of the work in the Contractor’s Agreement with the Lottery under a separate contract with the Contractor. The term “subcontractor” means subcontractor(s) of any tier. ( )
- 37. Temporary Retailer.** A retailer under contract with the Lottery for a temporary or seasonal period. A temporary contract may be subject to special conditions or limitations that the Director deems prudent. These limitations or conditions may include, but are not limited to: ( )
- a.** Length of ticket sale period; ( )
  - b.** Hours or days of sale; ( )
  - c.** Location of sale; ( )
  - d.** Specific persons who may sell Lottery tickets; ( )
  - e.** Specific sporting, charitable, social, or other special events where Lottery tickets may be sold. ( )
- 38. Provisional Retailer.** A retailer granted a provisional certificate in accordance with these rules. A provisional certificate may contain some or all of the restrictions of a temporary retailer and additional restrictions deemed necessary by the Director. ( )
- 39. Ticket.** *See definition in Section 67-7407, Idaho Code.* ( )

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**40. Ticket Bearer.** The person who has signed the ticket or has possession of the unsigned ticket. ( )

**41. Ticket Validation Number or Validation Number.** The multidigit number found on the front of the ticket. It is either uncovered or found underneath the “Do Not Remove” area on the ticket or any stub. ( )

**42. Total Annual Revenue or Annual Revenue.** The sum of all of the Lottery’s proceeds and accrued income that is characterized as a reduction or recovery of expenses. ( )

**43. Unclaimed Prize.** Any award, financial or otherwise, of more than twenty-five dollars (\$25) for which there is physical, tangible evidence of eligibility but for which the prize has not been paid within one (1) year. ( )

**44. Value.** See definition in Section 67-7407, Idaho Code. ( )

**011. -- 099. (RESERVED).**

### **100. GENERAL PROVISIONS (RULE 100).**

**01. Purpose.** These rules are established by the Commission to define and regulate the operation and administration of the Lottery and the Commission. ( )

**02. Lottery Commission.** The Idaho State Lottery Commission (the “Commission”) is charged with the authority and duty to regulate Lottery activities in the State of Idaho, consistent with the Constitution and the enabling legislation. The headquarters of the Commission and of the Lottery is in Boise. ( )

**03. Powers and Duties of the Commission.** ( )

**a. Rule Promulgation.** The Commission promulgates rules and conditions under which the statewide Lottery will be conducted. Subjects covered in such rules include but need not be limited to: ( )

i. The types of Lottery games to be conducted; ( )

ii. The prices of tickets in the Lottery; ( )

iii. In general the numbers and sizes of prize disbursements, the manner and frequency of prize drawings, and the manner in which payment will be made to holders of winning tickets; ( )

iv. The locations at which Lottery tickets may be sold, the manner in which they are to be sold, and contracting with Lottery vendors, retailers and contractors; ( )

v. The manner in which Lottery sales revenues are to be collected; ( )

vi. The amount of compensation to be paid to retailers; ( )

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vii. Other areas relating to the efficient and economical operation and administration of a statewide Lottery consonant with the public interest. ( )

b. Delegation to Director. In addition to those duties assigned to the Director in the Lottery Act, the Commission may, insofar as is consistent with the Constitution and the Lottery Act, delegate the performance of executive or administrative functions to the Director. ( )

**04. Time and Place of Meetings.** ( )

a. Regular meetings of the Commission must be held at least quarterly; the date, time, and place will be set by the Commission and, if possible, with at least two (2) weeks' advance notice. The Commission may meet with the Director to make recommendations and set policy, to approve or reject reports of the Director, to adopt rules, and to transact other business. ( )

b. Additional meetings necessary to discharge the business of the Commission may be called from time to time by the chairman or by a quorum of the Commission. ( )

**05. Open Meeting Law.** All meetings of the Commission shall be held in accordance with Idaho's Open Meeting Law, Sections 67-2340 et seq., Idaho Code, and in accordance with Section 67-7442, Idaho Code. All meetings of the Commission are open to the public, except when executive session is allowed for part of the meeting under the Open Meeting Law. ( )

**06. Director.** The Director is responsible for the operation of the Lottery and for managing the affairs of the Commission. A Deputy Director designated by the Director may act for the Director in the absence of the Director. If there is a vacancy in the office of Director, the Commission will designate as Deputy Director as Interim Director until the vacancy can be filled. ( )

**07. Powers and Duties of the Director.** ( )

a. The Director has the authority to implement and execute procedures that he or she may deem appropriate for the efficient administration of the Lottery. The Director may also recommend rules governing the establishment, administration, and operation of the Lottery to the Commission for its approval; ( )

b. The Director is authorized to employ sufficient staff as may be required to carry out the functions of the Commission and the Lottery; ( )

c. The Director may contract with retailers for the sale of Lottery games and must suspend or terminate any contract in accordance with the provisions of the Act and the rules of the Commission; ( )

d. The Director must continuously study and investigate all matters pertinent to the efficient operation of the Lottery; and ( )

e. The Director must maintain full and complete records of the operation of the

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Lottery. The Director must report on at least a monthly basis to the Commission and to the Governor on the status of the Lottery. ( )

**f.** The duties and responsibilities of the Director that are not otherwise specified in Idaho law or the rules adopted by the Commission may be maintained as a policy of the Commission for the purpose of establishing a working relationship between the Director and the Commission. ( )

#### **08. Lottery Offices.** ( )

**a.** The principal office of the Lottery is located at 1199 Shoreline Lane, Suite 100, Boise, Idaho 83702. ( )

**b.** The Lottery may also operate other offices and facilities throughout the State as are appropriate to fulfill its responsibilities under law. ( )

#### **09. Lottery Budgets and Financial Statements.** The Director must: ( )

**a.** Submit quarterly financial statements to the Commission, the Governor, the State Treasurer, and the Legislature. The quarterly financial statements must be prepared in accordance with generally accepted accounting principles and must include a balance sheet, a statement of operations, a statement of changes in financial position, and related footnotes. The quarterly financial statements must be provided within forty-five (45) days of the last day of each quarter. ( )

**b.** Submit annual financial statements to the Commission, the Governor, the State Treasurer, and each member of the Legislature. The annual financial statements must be prepared in accordance with generally accepted accounting principles and must include a balance sheet, a statement of operations, a statement of changes in financial position, and related footnotes. The annual financial statements must be examined by the State Controller or a firm of independent certified public accountants in accordance with generally accepted auditing standards and must be provided within ninety (90) days of the last day of the Lottery's fiscal year. ( )

#### **10. Contingency Reserve.** ( )

**a.** The Director may, with the approval of the Commission, allot from moneys available to pay administrative expenses an amount to be transferred to a contingency reserve established by the Commission. The money allotted can include amounts retained to fund specific future expenses or can be undesignated as to purpose. ( )

**b.** When the Commission approves a contingency reserve, it must determine the amount necessary for a reasonable contingency reserve. ( )

**c.** Upon approval of the Commission, money in the contingency reserve may be authorized to be used for specific purposes of the Lottery or to be used to fund general administrative expenses if there is a revenue shortfall. Expenses funded from the contingency reserve cannot be included with other administrative expenses for purposes of determining compliance with current administrative expenditure limitations. ( )



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**11. Special Drawings.** ( )

**a.** The Director may authorize special drawings to award prizes, such as vacation trips, automobiles, or other tangible items in addition to, or in lieu of, cash awards. The Director will determine the nature and number of awards for each special drawing. Special drawings for promotional awards may be held independently of the Lottery's regular prize drawings or may be incorporated therein. The promotional drawings may be cosponsored and conducted in conjunction with Lottery retailers or other independent businesses. In view of the temporary nature and indeterminate frequency of the promotional awards drawings, a press announcement and normal advertising media will be used to inform the public of the rules and prizes for each special drawing. ( )

**b.** Notwithstanding the provisions of Paragraph 100.11.a. of this rule, the Director may, at his or her discretion, award in-lieu equivalent cash awards to the winners of tangible items, in those instances where the Director deems it appropriate. The value of noncash items must be estimated by using either the cost of the item or its fair-market value. ( )

**12. Retail Drawings.** The Director and his designee may authorize Retailers to conduct drawings using non-winning Idaho Lottery tickets in conjunction with a particular Lottery game. Such authorization must be in writing, must specify the type of drawing to be conducted and must set forth the methodology to be used in conducting the drawing. ( )

**13. Retail Ticket Price Discounts.** ( )

**a.** Notwithstanding the price adopted for the retail sale of a ticket in the rules for a specific Lottery game, the Commission may offer discounts for the retail sale of Lottery tickets. ( )

**i.** Discounts for the retail sale of Lottery tickets may be offered to the public through the use of coupons approved by the Director or by any other method approved by the Director. ( )

**ii.** Coupons that offer a discount on the retail price of Lottery tickets must be distributed using methods designed to reach the public. These methods may include, but are not limited to, the use of direct mail, newspaper advertising, or by having coupons available at Lottery offices and retailer locations. ( )

**b.** Rules for a promotion conducted by the Lottery using retail ticket discounts must be announced by the Director and made available at the Lottery's offices and retailer locations. ( )

**14. Allocation of Revenues for Prizes.** ( )

**a.** Purpose: The primary objective of the Lottery is to produce the maximum amount of net revenues to benefit the public purpose of raising revenue consonant with the dignity of the State and the sensibilities of its citizens. In accomplishing this objective, at least forty-five percent (45%) of the total annual revenues shall be returned in the form of prizes. The Lottery may design

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and conduct games that return more than forty-five percent (45%) of the revenues received from the sale of tickets in the form of prizes as an incentive to increase the total amount of game sales over the level of sales that otherwise would have been reasonably expected using a lower prize percentage. Games may also be authorized that return less than forty-five percent (45%) of that game's revenues so long as forty-five percent (45%) of the total annual revenues is returned as prizes. ( )

**b.** Prize payments: In addition to cash prize payments, money set aside by the Lottery and restricted for the payment of prizes is considered in satisfying the requirement of returning at least forty-five percent (45%) of total revenues to the public in the form of prizes. ( )

**c.** Averaging game prize payments: Notwithstanding the prize structure adopted for a Lottery game, the amount of revenue returned for prizes among all the games offered by the Lottery may be reallocated so long as at least forty-five percent (45%) of the total revenue earned from all games is returned to the public in the form of prizes on an annual basis. The Director must report to the Commission on any reallocations made pursuant to Section 100. ( )

#### **15. Ownership of Lottery Tickets.** ( )

**a.** Except for tickets claimed jointly in accordance with the provisions of Paragraph 100.15.d. of this rule, until a name is printed or placed upon a Lottery ticket in the area designated for "name," the ticket is owned by the bearer of the ticket. When a name is placed on the ticket in the place designated for a name, the person whose name appears in that area is the owner of the ticket and is entitled to any prize attributable to the ticket. ( )

**b.** If more than one (1) name appears on a ticket, the ticket must be claimed in accordance with the joint ownership procedures listed in Paragraph 100.15.d. of this rule. ( )

**c.** Groups, family units, clubs, or other organizations may claim a winning ticket if the organization possesses a Federal Employer Identification Number (FEIN) issued by the Internal Revenue Service and that number is shown on the claim form. ( )

**d.** If a ticket is claimed to be owned by two (2) or more people, the following steps will be taken for payment of the prize: ( )

i. All people claiming ownership must complete and sign a request and release form. ( )

ii. At least one (1) of the people claiming ownership of the ticket must sign the ticket; that person's signature must also appear on the request and release form. ( )

iii. The Lottery reserves the right to issue a single prize check instead of multiple prize checks to the owners of a ticket if the value of each individual prize check would be less than fifty dollars (\$50). ( )

iv. Multiple winners of a Lottery prize will be paid only through the Boise Lottery Office. Lottery retailers will not be required to pay more than one (1) winner of a single prize. ( )

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**16. Claims.** ( )

**a.** Liability. By submitting a claim, the player agrees that the State, the Commission, the Lottery and all officials, officers, and employees of each are discharged from all further liability upon payment of the prize. ( )

**b.** Publicity. By submitting a claim, the player also agrees that the Lottery may use the prize winner's name and photograph for publicity purposes. ( )

**c.** Claim period. Prizes may be claimed for a period of one hundred eighty (180) days after the drawing in which the prize was won or from the last day tickets from the specific instant game were sold. Prizes won through an electronic terminal are payable in accordance with the Lottery's rules. If a claim is not made for the prize within the applicable period, the prize money will be added to future prize pools, to be used in addition to prize allotments already allocated, except as provided in Section 67-7433, Idaho Code. ( )

**d.** Invalid tickets. If a ticket presented to the Lottery is invalid pursuant to the terms of these rules or the specific game rules, the ticket is not entitled to prize payment. ( )

**e.** Ticket a bearer instrument. A ticket is a bearer instrument until signed in the space designated on the ticket for signature, if a signature space is provided. The person who signs the ticket is considered the owner of the ticket after signing it. Payment of any prize may be made to a person in possession of an unsigned ticket or to the person whose signature appears on the ticket. All liability of the State, the Commission, the Lottery, the Director, and Lottery employees terminates upon payment. ( )

**f.** Time of prize payment. All prizes will be paid within a reasonable time after a claim is verified by the Lottery and a winner is determined. The date of the first installment payment of any prize to be paid in installment payments is the date the claim is validated and processed, unless a different date is specified for a particular game in these rules or in the specific game rules. Later installment payments will be made approximately weekly, monthly, or annually, from the date the claim is processed and validated in accordance with the type of prize won and the rules applicable to the prize. The Lottery may, at any time, delay any prize payment in order to review a change in circumstances concerning the prize awarded, the payee, or the claim. ( )

**g.** Prizes payable for winner's life. If any prize is for the life of the winner, only an individual may claim and receive the prize for life. If a group, corporation, or other organization is the winner, the life of the winner is deemed to be twenty (20) years. ( )

**17. Prizes Payable After Death of Winner.** All prizes, and portions of prizes, that remain unpaid at the time of the prize winner's death will be payable to the personal representative of the prize winner's estate once satisfactory evidence of the personal representative's appointment has been provided, and the Director is satisfied that payment to the personal representative is lawful and proper. The Director may rely on a certified copy of a court order appointing a personal representative (or similar person responsible for the prize winner's estate, whether denominated an administrator, executor, executrix, or other representative of the prize winner's estate) or may petition the court to determine the proper payee. Payment to the

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personal representative of the estate of the deceased owner of any prize winnings will absolve the Director and the Lottery's employees of any further liability for payment of prize winnings.

( )

**18. Disability of Prize Winner.** The Lottery may petition any court of competent jurisdiction for a determination of the rightful payee for the payment of any prize winnings that are or may become due to a person under a disability including, but not limited to, minority, mental deficiency, or physical or mental incapacity.

( )

**19. Stolen or Lost Tickets.** The Lottery has no responsibility for paying prizes attributable to stolen or lost tickets.

( )

**20. Effect of Game Rules.** In purchasing a ticket the player agrees to comply with Chapter 74, Title 67, Idaho Code, these rules, the specific game rules, Lottery instructions and procedures, and the final decisions of the Lottery. The Lottery's decisions and judgments in respect to the determination of winning tickets or any other dispute arising from the payment or awarding of prizes will be final and binding upon all participants in the Lottery. If a dispute between the Lottery and a player occurs as to whether a ticket is a winning ticket and the prize is not paid, the Lottery may, solely at the Director's option, replace the ticket with an unplayed ticket of an equivalent price from any game or refund the price of the ticket. This will be the sole and exclusive remedy of the player.

( )

**21. Disputed Prizes.** If there is a dispute, or it appears that there may a dispute concerning payment or ownership of any prize or any other legal issue involving the prize, the Lottery may refrain from making payment of the prize pending a final determination by the Lottery or by a court of competent jurisdiction as to the proper payment of the prize.

( )

**101. -- 109. (RESERVED).**

**110. CONFLICT OF INTEREST POLICY (RULE 110).**

**01. Persons Subject to Conflict of Interest Policy.** Every Commissioner, the Director, every Deputy Director, and every other Lottery officer and employee is considered a person subject to this rule on conflict of interest. If a statutory provision, rule, or policy applicable to the Lottery conflicts with Section 67-7443, Idaho Code, the more stringent provision applies.

( )

**02. Statements for Economic Interest.** Every person listed in Subsectin 100.01 of this rule, is prohibited from directly or indirectly, individually, or as a member of a partnership, or as a shareholder of a corporation, or as a participant in a joint venture or association with any other person, having an interest in dealing in a Lottery game or in the ownership or leasing of property used by or for a Lottery game.

( )

**03. Persons Ineligible for Prizes.** Except as provided in Section 67-7440, Idaho Code, the following persons are prohibited from purchasing a Lottery ticket or share, and are prohibited from receiving a Lottery prize:

( )

**a.** Every person listed in Subsection 110.01 of this rule;

( )

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**b.** Any officer, director, or employee of any vendor of Lottery tickets or manufacturer of equipment used to determine winners in computerized Lottery games, and any of their subcontractors who may affect the security, integrity, or honesty of the Lottery; ( )

**c.** Any Lottery contractor or consultant under agreement with the Lottery to review the Lottery's security procedures, and any other contractor or consultant that the Director deems ineligible if the Director reasonably determines that the security, honesty, and integrity of the Lottery may be adversely affected; ( )

**d.** An immediate family member of any individual described in Paragraphs 110.03.a., 110.03.b., or 110.03.c. of this rule who is a member of the same household. ( )

**04. Gift Prohibitions.** ( )

**a.** Except as provided in Paragraph 110.03.b. of this rule, every person listed in Subsection 110.01 of this rule, including members of their immediate family, are prohibited from soliciting or receiving, directly or indirectly, a gift in excess of fifty dollars (\$50) from any person who might reasonably be expected to receive a benefit from the Lottery. ( )

**b.** In appearances before civic groups and other organizations it is permissible to accept a meal if it is offered and it is the established practice of that group or organization. ( )

**05. Persons Prohibited from Providing Services.** The following individuals and entities are prohibited from being a Lottery game retailer, Lottery vendor, or Lottery contractor, and shall not provide audits or study services as specified by Chapter 74, Title 67, Idaho Code: ( )

**a.** Every person listed in Subsection 110.01 of this rule; ( )

**b.** A member of the immediate family who is a member of the same household of any person listed in Subsection 110.01 of this rule; ( )

**06. Outside Activities Restricted.** ( )

**a.** The Director, all Deputy Directors, and all full-time Lottery officers and employees are required to render full-time service to the duties of their positions. Part-time, temporary, or seasonal Lottery employees are required to render service to the extent of their employment with the Lottery and are prohibited from accepting other employment that may conflict with the integrity of the Lottery. ( )

**b.** Except when assisting another state lottery, no Commissioner, Director, Deputy Director or other Lottery officer or employee shall provide consulting or contractual services, or accept an honorarium related to his or her State Lottery expertise. ( )

**c.** When assisting another state lottery, it is permissible for the other state to reimburse normal travel costs to the individual providing the service, but no honorarium or pay to the individual will be accepted. If the other state has a policy of paying for the time of another

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state's employee while providing assistance, the payment shall be made to the Idaho State Lottery. ( )

**d.** Nothing contained in Paragraphs 110.06.a. through 110.06.c. of this rule precludes the Lottery from negotiating contracts in which the vendor to the Lottery must bear the expense of Lottery personnel making on-site inspections of the vendor's products or manufacturing facility, auditing the vendor, or other legitimate business reasons for traveling to the vendor's place of business or site of the vendor's records, and person listed in Subsection 110.01 of this rule may engage in travel at the vendor's expense for those legitimate business purposes. Nothing contained in Paragraphs 110.06.a. through 110.06.c. of this rule shall prevent a Commissioner, Director, Deputy Director or other Lottery officer or employee from participating in and traveling to educational or industry related programs. Actual expenses incurred may be reimbursed by a sponsoring entity if the integrity of the Idaho State Lottery is not adversely impacted. ( )

**07. Conduct of Commission Business.** Business transactions conducted by the Lottery Commission, the Director, Deputy Directors, and all other Lottery officers and employees with Lottery vendors should be conducted in the Lottery's offices to the maximum extent possible. ( )

**08. Personal Conduct.** Personal conduct that is illegal or generally considered improper or brings discredit to the Lottery may be subject to appropriate disciplinary action by the Director. ( )

**09. Use of Lottery Property.** Every person listed in Subsection 110.01 of this rule is prohibited from using any Lottery vehicle or other Lottery property for personal use, except that telephones, computers, etc., may be used for personal use in the manner ordinarily accepted in an office setting when that use does not result in additional expense to the Lottery and when that use does not contravene State policy. ( )

**10. Signature of Conflict Policy Required.** Every person listed in Subsection 110.01 of this rule is required to sign the following conflict of interest policy as a condition of employment. "I have read and understand the pertinent Sections of Idaho Constitution Article 7, Section 10, and Chapter 7, Title 59, Idaho Code, and these conflict of interest policies."

Signature  
Typed Name  
Date

( )

**111. -- 199. (RESERVED).**

### **200. LOTTERY CONTRACTING RULES (RULE 200).**

**01. Classification of Lottery Contracts.** ( )

**a.** Lottery contracts for the acquisition of materials, supplies, services and personal and professional services are classified according to relative sensitivity, which in turn determines the level of review, procurement method and the extent of disclosure required by Lottery Vendors or if no disclosure is required as in the case of Lottery contractors. The three (3) levels of

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procurement are as follows: ( )

i. General procurements: These procurements are the least sensitive and are for materials, supplies, equipment, services and personal and professional services required to satisfy the day-to-day administrative, ministerial and operating needs of the Lottery. Disclosure filings by Lottery vendors are not normally required for this class of procurements. Lottery contractors may supply general procurement items. The Lottery may use formal invitations to bid, informal competitive quotes and requests for proposals to solicit contracts for these acquisitions, as may be determined by the Director to be the most appropriate process for a specific acquisition. ( )

ii. Sensitive procurements: These procurements are of intermediate sensitivity and are for materials, supplies, equipment, services and personal and professional services which may have direct or indirect impact upon the security, credibility and integrity of the Lottery. Also included are special studies and services required by statute (demographic, communications and performance studies). The normal procedure for acquiring the materials and services is by request for proposal; however, the Director may authorize the use of competitive quotes when the cost of the acquisition is less than fifteen thousand dollars (\$15,000). The Director may prescribe special disclosure requirements governing Lottery contractors or vendors for this class of contracts. ( )

iii. Major procurements: This class is the most sensitive of Lottery contracts. The Lottery Act requires these procurements to be let by the Commission and the filing of comprehensive disclosure statements by Lottery vendors. ( )

b. The procedures for announcing or soliciting various classes of Lottery contracts outlined in Paragraph 200.01.a. of this rule are intended to be advisory only and do not limit the Commission or the Director in the selection of the most appropriate process to acquire a given product or service. ( )

### **02. General Policy.**

 ( )

a. In all decisions affecting the Lottery, the Commission and Director are specifically directed by statute to take into consideration the particularly sensitive nature of the Lottery and to act in a manner to promote and insure the integrity, security, honesty and fairness of the Lottery. Additionally, the Director, in awarding contracts in response to solicitations for proposals, must award the contracts to the responsible contractor or vendor submitting the lowest and best proposal that provides maximum benefits to the State in relation to cost in the areas of security, competence, experience, timely performance, and maximization of net revenues to benefit the public purpose of the Lottery. Consistent with these statutory directives, it is the policy of the Lottery, to the extent possible, to conduct its contracting affairs in an open, competitive manner. However, the security and integrity of the Lottery are fundamental and overriding considerations in all decisions. ( )

b. Although the Lottery is exempt from the provisions of Section 67-5715, Idaho Code, it is the policy of the Lottery to conduct its contracting affairs generally in accordance with the State's competitive bidding principles contained in Section 67-5715 et seq., Idaho Code, and consistent with the specific directives contained in Paragraph 200.02.a. of this rule. In implementing this policy, the Lottery reserves the right to use the procedures developed by the

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Department of Administration as guidelines to govern its procurement actions. Notwithstanding this reservation, the Lottery also reserves the right to use alternate contracting and purchasing practices that take account of market realities and modern or innovative contracting and purchasing methods that are also consistent with the public policy of encouraging competition. These methods may include, but are not limited to, specialized vendor prequalifications, competitive negotiations, performance incentives and disincentives, life cycle costing and solicitations emphasizing the request for proposal process. ( )

c. When the Lottery uses a Request for Proposal (RFP) for a planned acquisition, the major considerations in determining the contract award will be the quality of the product or service, the likelihood of timely performance, and price. Qualitative factors normally address issues like the Vendor's demonstrated experience in performing comparable projects, performance credibility, availability of qualified personnel and equipment, and other special factors as may apply to a particular contract. The RFP will normally specify the criteria that will be used in the evaluation of offers and the award of the contract. ( )

d. Because of the specialized character of Lottery contracts, the Lottery will not normally advertise bid proposals. Rather, the Lottery shall circulate bid and proposal requests for materials, equipment and services to vendors known to specialize in the required procurement or to vendors that the Lottery may reasonably expect to have an interest in providing such services. The Lottery will develop its mailing lists as the service need arises. ( )

e. The Director may prepare standard terms and conditions to govern the acquisition of materials, supplies and services by the State Lottery. To the extent possible, the standard terms and conditions should be as uniform as possible with the standard terms and conditions governing contracts entered into by other state agencies. ( )

f. All major departures from the State contracting guidelines referred to in Paragraph 200.02.b. of this rule must be approved by the Commission. If there is a conflict between the State guidelines and the Lottery's adopted rules, the Lottery's rules take precedence. ( )

### **03. Delegation of Purchasing Authority.** ( )

a. Authority is granted to the Director to initiate all purchase actions and enter into and execute contracts for materials, supplies and services, on behalf of the Commission and the Lottery, except as follows: ( )

i. General contracts having an estimated one-time or annual cost in excess of fifty thousand dollars (\$50,000); ( )

ii. Contracts defined as Sensitive Procurements having a one-time or annual cost of more than fifty thousand dollars (\$50,000); ( )

iii. Contracts defined as Major Procurements; ( )

iv. All personal service contracts other than major or sensitive procurements having a one-time or annual cost in excess of fifteen thousand dollars (\$15,000); and ( )



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v. Procurement actions which are executed in a manner other than as provided in the contract exemption guidelines. ( )

b. Notwithstanding the provisions of Paragraph 200.03.a.i. of this rule, the Commission, having once approved a planned procurement action involving a general contract acquisition, grants authority to the Director to execute a contract or contracts for the purchase or service without further action by the Commission. ( )

c. The Commission, having once approved a particular contract, delegates authority to the Director to make all disbursements and payments as provided in the contract, without further, specific approval action by the Commission. ( )

d. The Commission grants authority to the Director to enter into emergency contracts when immediate and decisive action is required to protect the security, credibility or integrity of the Lottery or a Lottery game. All emergency contracts let by the Director in which the cost exceeds the delegated authority contained in Paragraph 200.03.a. of this rule, must be reported to the Commission within five (5) days of the contract award date, or at the next scheduled Commission meeting, whichever is sooner. Such procurement actions may be taken without competitive bid. The dollar value of a contract awarded by the Director under the provisions of this section may not exceed fifty thousand dollars (\$50,000). Any emergency contract for a major procurement in which the cost exceeds fifty thousand dollars (\$50,000), if not acted upon at a regularly scheduled Commission meeting, is subject to Commission approval by telephonic or electronic vote. ( )

**04. State Central Services Agenda.** As provided in Section 67-7408, Idaho Code, the Lottery may contract with other State agencies for the performance of contracting responsibilities that may be required by the Lottery. Those services may include, but are not limited to, the acquisition of Fidelity and Faithful Performance Bonds covering the Commissioners, officers, and employees of the Lottery; bonding of retailers, annuity contracts; general equipment and supplies; equipment financing agreements; and disposal of surplus Lottery property. The Lottery is bound by all statutes and rules governing the actions of the State agency when the Lottery uses such services. ( )

**05. Idaho Preference.** ( )

a. In all contracts, the Lottery will prefer goods or services that have been manufactured or produced in this State if price, fitness, availability and quality are otherwise equal. ( )

b. Where a Lottery contract is awarded to a foreign contractor and the contract price exceeds ten thousand dollars (\$10,000), the contractor must promptly report to the Idaho State Tax Commission (ISTC) on forms to be provided by ISTC the total contract price, terms of payment, length of contract and such other information as the ISTC may require before final payment can be received on the Lottery contract. The Lottery must satisfy itself that the requirements of Paragraph 200.05.b. have been complied with before it issues a final payment on a Lottery contract. For the purposes of Paragraph 200.05.b., a foreign contractor is one who is not domiciled in or registered to do business in Idaho. ( )

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**06. Equal Opportunity/Affirmative Action Contracts.** The Lottery is an equal opportunity employer and also participates in any on-going State affirmative action programs. ( )

**07. Personal Services Contract.** ( )

**a.** Contracts between the Lottery and persons or firms such as advertising agencies, security consultants, auditors, other consultants required to conduct or prepare special studies and reports and other personal services contracts that may be required to fulfill the Lottery's responsibilities, will be awarded as outlined in the following Subsection 200.07. The award of contracts shall be either direct, informal or formal depending upon the sensitivity and estimated dollar value of the contract. In awarding personal services contracts the Lottery will consider the contractor's qualifications in similar areas of demonstrated competency, availability, experience in successfully performing comparable projects, availability of qualified personnel, likelihood of timely performance, history of cost containment, compensation requirements and other special factors that may apply to a particular contract. ( )

**b. Direct Award Procedures.** ( )

**i.** Any personal services contract having an estimated one-time or annual value of ten thousand dollars (\$10,000) or less may be awarded directly by the Director if the Director believes reasonable steps have been taken to obtain competitive quotes, if feasible, and the award will not negatively affect the security, credibility or integrity of the Lottery. ( )

**ii.** The Director, with the approval of the Commission, may directly award personal services contracts in any appropriate or reasonable amount, without competitive solicitations, when the project consists of work that has been substantially described, planned or otherwise studied in an earlier Lottery contract and the new contract would be a continuation of the earlier project, provided that the earlier contract was awarded by a formal selection procedure. In awarding contracts under this provision the Commission and Director must take into account the effects of that action on the security, credibility and integrity of the Lottery and further ensure that the contract awards will not encourage favoritism or substantially diminish competition and will result in substantial cost savings to the Lottery. ( )

**iii.** The Director, with the approval of the Commission, may directly award personal service contracts without competitive solicitation when an emergency or other condition exists that requires prompt and decisive action. The Commission and Director may exercise the provisions of Paragraph 200.07.b.iii. only when immediate action is required to correct a situation that would threaten integrity, security, honesty, and fairness in the operation and administration of the Lottery or the objective of raising net revenues for the benefit of the public purpose described in the Act. ( )

**c. Informal Award Procedure:** The Director may award any personal services contract having an estimated one-time annual value of more than ten thousand dollars (\$10,000), but not more than twenty-five thousand dollars (\$25,000), if the following informal award procedure is followed: ( )

**i.** An attempt must be made to obtain a minimum of three (3) competitive quotes. If

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three (3) quotes are not available, fewer will suffice provided a written record is made of the effort to obtain three (3) quotes. ( )

ii. A written record must be maintained of the source and amount of quotes received. ( )

iii. The contract award will be made to the lowest priced vendor who best meets the contract award criteria of Paragraph 200.07.a. of this rule. ( )

iv. The Director must maintain work papers documenting the basis of the award to ensure that the award will not negatively affect the security, credibility and integrity of the Lottery. ( )

**d.** Formal Award Procedures: Unless otherwise awarded under the provisions of Paragraphs 200.07.b.ii. or 200.07.b.iii. of this rule, all personal services contracts having an estimated one-time or annual cost of more than twenty-five thousand dollars (\$25,000) must be awarded according to the formal award procedure, as follows: ( )

i. The Lottery shall distribute copies of the proposal (usually a Request for Proposal) to Lottery vendors or to appropriate contractors who have indicated an interest, or are anticipated to have an interest, in providing the required service to the Lottery. Every Request for Proposal must include a response deadline date. All responses received by the Lottery after the deadline may be rejected. ( )

ii. The Director will appoint an evaluation panel consisting of at least four (4) persons, at least two (2) of whom are members of the Lottery's executive staff. The Director of Security will normally be one of the appointees to evaluate the responses for any project involving the security of the Lottery. ( )

iii. The evaluation panel must develop a system to evaluate the vendor responses and must score each vendor's response. Based upon this evaluation, the evaluation panel must rank the three (3) best responses and develop an award recommendation. ( )

iv. The contract must be awarded to the vendor who best meets the award criteria. ( )

**e.** No contract or other agreement for the purpose of providing services to the Lottery may be entered into, renewed, or extended with any person, unless the person certifies in writing, under penalty of perjury, that the person is not in violation of any Idaho tax laws on a form prescribed by the Idaho State Tax Commission (ISTC). A copy of the certification form may be obtained from the Lottery or the ISTC. The original certification must be retained in the Lottery's contract file as required by the State's records retention guidelines. ( )

### **08. Major Procurements.** ( )

**a.** All bid announcements, invitations, or proposals covering major procurements must identify that the planned acquisition is classified as a major procurement. ( )

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**b.** All contracts or procurement actions classified as major procurements will be subject to the disclosure requirements specified in Section 67-7421, Idaho Code. Subsection 010.05 of these rules defines the term “control person” for purposes of disclosure requirements. The Lottery will enclose a copy of the disclosure requirements with each bid announcement or proposed request for such procurement. All disclosure filings are subject to the review and approval of the Director of Security. Failure of any Lottery vendor to properly execute or timely submit the disclosure requirement may be grounds for rejection of the bid or proposal. ( )

**c.** No contract for a major procurement with any Lottery vendor may be entered into if any control person of that Lottery vendor has been convicted of a crime, other than traffic infractions. Background checks must be made by the Director of Security to rigorously enforce this requirement. ( )

**d.** The Lottery may prequalify Lottery vendors as having met the disclosure filing requirements for major procurements. The disclosure prequalifications may be renewed by July 1 of each year. The prequalifications will satisfy the disclosure requirements of the Act, providing a certification is received from the Lottery vendor at the time of submitting any subsequent bid, proposal or offer and that no changes have occurred in the vendor’s status, or that of its control persons, since the last filing of the complete disclosure statement. ( )

**e.** Each Lottery vendor for a major procurement must maintain its disclosure filing in a current status during the tenure of the contract. Unless otherwise provided in the contract document, any changes in the status of the vendor, any of its listed control persons or additional control persons, must be reported to the Director within fourteen (14) days of the known change, and will require written submission of the same disclosure information to the Commission.( )

**f.** Each Lottery vendor for a major procurement is required to post a performance bond with the Commission as provided in Section 67-7427, Idaho Code. The performance bond must be issued by a surety licensed to do business in this State and must be for the duration specified in the procurement announcement. ( )

#### **09. Sensitive Procurements.** ( )

**a.** All bid announcements, invitations, or Requests for Proposal covering sensitive procurements as defined in Paragraph 200.01.a.ii. of this rule must identify that the planned acquisition is a sensitive procurement and will be subject to the provisions of this rule. ( )

**b.** The Director may establish special disclosure requirements governing State Lottery contracts for sensitive procurements that will be included in the procurement announcement. Failure of any Lottery vendor or contractor to properly execute or timely submit the disclosure requirement may be grounds for rejection of the bid or proposal. All disclosure filings are subject to the review and approval of the Director of Security. ( )

**c.** No contract for a major procurement with any Lottery vendor may be entered into if any control person of that Lottery vendor has been convicted of a crime, other than traffic infractions. Background checks must be made by the Director of Security to rigorously enforce this requirement. ( )

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d. The Lottery may prequalify Lottery vendors as having met the disclosure requirements of this rule. The prequalification will satisfy the disclosure filing requirement providing a certification is received from the Lottery vendor, at the time of submitting any subsequent bid, proposal or offer, that no changes have occurred in the vendor's status or any of its principals since the last filing of the full disclosure statement. ( )

e. Each Lottery vendor for a sensitive procurement must maintain its disclosure filing in a current status during the tenure of the contract. Unless otherwise provided in the contract document, any changes in the vendor's status or any of its principals, must be reported to the Director within fourteen (14) days of the known change, and will require written submission of the same disclosure information to the Commission. ( )

f. Each Lottery contractor for a sensitive procurement may be required to post a performance bond with the Lottery. The performance bond must be issued by a surety licensed to do business in this State and be for the amount and duration specified in the procurement announcement. ( )

**10. Advertising and Promotional Contract.** Because advertising and promotional contracts involve unique marketing strategies for Lottery games, the acquisition of these services and purchases may be made directly without using competitive procurement procedures. The prudent person rule will apply in the award of these contracts or the acquisition of these services. This exemption applies to all advertising and promotional contracts, whether placed through the Lottery's advertising agency or directly by the Commission or the Director. For the purpose of this rule, advertising and promotional contracts include but are not limited to: agreements with radio and television stations, acquisition of prizes, media selection, placement of advertising contracts, promotional printing, art work and development and placement of all forms of commercials and display presentations. ( )

**11. Investment Contracts.** The Lottery may enter into contracts for the acquisition of structured settlements, place investments or acquire annuities related to the pay-off of major prize winners without following competitive bidding procedures. The Lottery will follow the prudent person rule in the placement of such investments. ( )

**12. Prequalification of Annuity Vendors.** ( )

a. For the purpose of acquiring annuities related to the pay-off of major prize winners, the Lottery will maintain an ongoing prequalification list of annuity vendors. A vendor must first be prequalified by the Lottery before submitting a bid to the Lottery for the award of an annuity contract. Vendors may submit their qualifications to the Lottery for evaluation any time in the year. ( )

b. The following criteria must be met by each vendor before being placed on the prequalification list: ( )

i. Each bidder must be an insurance company licensed to do business in Idaho and have been in business for a period of two (2) years immediately before submitting its bid. ( )

ii. An insurance company must be a Best's "A+" rated company and must have at

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least a Best's Class VII financial size classification. ( )

iii. Each bidder's request for qualification must contain: ( )

(1) The name, address, telephone number and contact person for the bidder. ( )

(2) The current financial statement of the bidder certified by an independent Certified Public Accountant. ( )

(3) The names, addresses and telephone numbers of three (3) current or past annuity client references whom the Lottery may contact. ( )

c. After a vendor has been prequalified, the vendor may submit bids to the Lottery in accordance with the procedures established by the Director. Furthermore, a vendor must keep its qualifications current by promptly reporting any changes in their status to the Lottery. ( )

d. The total amount of annuities awarded to an insurance company cannot exceed five percent (5%) of its stated surplus. ( )

e. Nothing contained in this rule will preclude a brokerage company from representing or submitting a bid on behalf of a qualified bidder. ( )

### 201. CRITERIA FOR REVIEW OF RETAILER APPLICATIONS AND CONDUCT OF OPERATIONS (RULE 201).

**01. Retailer's Application.** Any person interested in obtaining a contract for a certificate to sell Lottery tickets must first file an application on forms provided by the Director. The forms will require disclosure of, but are not limited to, an applicant's personal, financial, and criminal history, and an authorization to investigate the applicant's criminal and credit history. ( )

**02. Fees, Procedure, and Criteria Precluding Issuing Contract.** ( )

a. All certificate applications must be accompanied by a minimum, nonrefundable, fee of twenty-five dollars (\$25). If a certificate is awarded, an additional, nonrefundable, certificate fee of one hundred dollars (\$100) must be paid. ( )

b. Certified retailers may apply for a certificate modification to allow the sale of additional Lottery products. A current retailer may be required to complete an additional application or application supplements. If a current retailer requests that the existing certificate be modified to allow the sale of additional Lottery products, no additional application fee will be charged. ( )

c. The Lottery may waive the payment of any certificate fee to facilitate an experimental program or a research project. ( )

**03. Provisional Certifications.** ( )

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a. The Lottery may issue a provisional certificate to an applicant for a Lottery certificate after receipt of a fully completed certificate application, the authorization of a complete personal background check, completion of a credit check, and completion of a preliminary background check. The provisional certificate will expire at the time of issuance of the requested certificate or ninety (90) days from the date the provisional certificate was issued, whichever occurs first, unless the provisional certificate is extended by the Lottery. ( )

b. The following criteria preclude the Director from entering into a contract with an applicant. No contract shall be made with an applicant: ( )

i. Who is under eighteen (18) years of age; ( )

ii. Who will be engaged exclusively in the business of selling tickets; ( )

iii. Who is an employee of the Lottery; ( )

iv. Who is, or is owned or controlled or affiliated with, a supplier of instant tickets or a manufacturer of computer equipment used to operate instant and/or on-line games; ( )

v. Who is not a resident of Idaho, or a corporation that is not incorporated in this Idaho or not authorized to do business in Idaho; ( )

vi. Who has been found to have violated any rule, regulation, or order of the Commission or the Director; ( )

vii. When any person, firm, association, or corporation other than the applicant will participate in the management of the affairs of the applicant. ( )

**04. Criteria That May Be Grounds for Refusal.** Before contracting with an applicant, the Director will consider the factors set out below. In considering these factors, the Director will seek to determine which applicants will best serve the economical and efficient operation of a statewide Lottery through their ticket sales. If any of these factors lead the Director to determine that contracting with the applicant would not promote the economical and efficient operation of a statewide Lottery consonant with the public interest, or would not serve the public interest, convenience, or trust, the Director may deny the application. ( )

a. The Director must consider the financial responsibility and security of the person and the person's business or activity. The Director must consider the person's credit worthiness and integrity in past financial transactions. The Lottery may investigate the credit worthiness of the applicant by using the services of a commercial credit reporting agency. The Director may also consider the physical security of the applicant's place of business to determine whether tickets that will be sold to the applicant and the proceeds from ticket sales will be kept safe. ( )

b. The Director must consider the accessibility to the public of an applicant's place of business or activity. The Director will contract only with applicants who have regular contact with significant numbers of persons at the applicant's place of business. Before contracting with any organization that has restricted membership policies, the Director must determine whether the

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restrictions are generally acceptable to the public and whether contracting with that group or organization or similar groups or organizations would best serve the interests of the Lottery.

( )

c. The Director must consider the sufficiency of existing retailers to serve the public interest. The Director may seek to maximize total ticket sales by encouraging retailers with the highest potential volume in a particular area or neighborhood.

( )

d. The Director must consider the volume of expected sales by the applicant. In determining the anticipated actual sales volume of the applicant, the Director may rely upon the experience and knowledge of the Lottery's staff as well as any other available professional expertise. The Director must determine whether the volume of an applicant's sales is likely to be sufficient that contracting with the applicant will be economically feasible.

( )

e. The Director must consider the types of products, services, or entertainment offered at the applicant's place of business. The Director must determine whether the applicant's products, services, or entertainment are generally acceptable to the public and whether they would bear adversely upon the general credibility, integrity, and reputation of the Lottery.

( )

f. The Director must consider the experience, character, or general fitness of the applicant. Entering into a contract with the applicant must be consistent with the public interest, convenience, and trust.

( )

g. The Director must consider the veracity and completeness of the information submitted with the retailer's application. The Director must consider the criminal history of the applicant and any person whose name is required to be disclosed under Section 67-7412, Idaho Code, of the Act and may refuse to enter into a contract with any applicant when the applicant or such person has been convicted of violating any of the gambling laws of this state, general or local, or has been convicted at any time of any crime other than traffic infraction.

( )

**05. Duplicate Certificate.** Upon the loss, mutilation, or destruction of any certificate issued by the Lottery, application for a duplicate must be made. The Lottery may require a statement signed by the retailer that details the circumstances under which the certificate was lost, mutilated, or destroyed.

( )

**06. Reporting Changes in Circumstances of the Retailer.** Every change of business structure of a certificated business, such as from a sole proprietorship to a corporation, and every change in the name of a business, must be reported to the Lottery before the change. Substantial changes in the ownership of a certificated business must also be reported to the Lottery before the change. A substantial change of ownership is defined as the transfer of ten percent (10%) or more equity in the certificated business from or to another single individual or legal entity. If a change involves the addition or deletion of one (1) or more existing owners or officers, the certificate holder must submit a certificate application reflecting the change and any other documentation that the Lottery may require. All changes will be reviewed by the Lottery to determine if the existing certificate should be continued.

( )

**07. Certificate Not a Vested or Legal Right.** The possession of a certificate issued by the Lottery to any person to act as a retailer in any capacity is a privilege personal to that person



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and is not a vested or legal right. The possession of a certificate issued by the Lottery to any person to act as a retailer in any capacity does not automatically entitle that person to sell tickets or obtain materials for any particular game. ( )

**08. Suspension or Revocation of a Certificate.** The Lottery may suspend or revoke any certificate issued pursuant to these rules for one (1) or more of the following reasons: ( )

**a.** Failing to meet or maintain the eligibility criteria for certificate application and issuance established by Chapter 74, Title 67, Idaho Code, or these rules; ( )

**b.** Violation of any of the provisions of Chapter 74, Title 67, Idaho Code, these rules, or the certificate terms and conditions; ( )

**c.** Failing to file any return or report or to keep records required by the State Lottery; ( )

**d.** Failing to maintain an acceptable level of financial responsibility as evidenced by the financial condition of the business, incidents of failure to pay taxes or other debts, or by the giving of financial instruments which are dishonored; ( )

**e.** Fraud, deceit, misrepresentation, or other conduct prejudicial to the public confidence in the Lottery; ( )

**f.** If the public convenience is adequately served by other certificate holders, failure to sell a minimum number of tickets as established by the Lottery; ( )

**g.** A history of thefts or other forms of losses of tickets or revenue from the business; ( )

**h.** Violating federal, state, or local law or allowing the violation of any of these laws on premises occupied by or controlled by any person over whom the retailer has substantial control; ( )

**i.** Obtaining a certificate by fraud, misrepresentation, concealment or through inadvertence or mistake; ( )

**j.** Making a misrepresentation of fact to the Commission or the Lottery on any report, record, application form, or questionnaire required to be submitted to the Commission or the Lottery; ( )

**k.** Denying the Lottery or its authorized representative, including authorized local law enforcement agencies, access to any place where a certificate activity is conducted; ( )

**l.** Failing to promptly produce for inspection or audit any book, record, document, or other item required to be produced by law, these rules, or the terms of the certificate; ( )

**m.** Systemically pursuing economic gain in a manner or context that is in violation of the criminal or civil public policy of this State if there is cause to believe that the participation of

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such person in these activities is inimical to the proper operation of the authorized Lottery; ( )

n. Failing to follow the instructions of the Lottery for the conduct of any particular game or special event; ( )

o. Failing to follow security procedures of the Lottery for the management of personnel, handling of tickets, or for the conduct of any particular game or special event; ( )

p. Misrepresenting a fact to a purchaser, or prospective purchaser, of a ticket, or to the general public with respect to the conduct of a particular game or special event; ( )

q. Allowing activities on the licensed premises that could compromise the dignity of the State. ( )

**09. Surrender of Certificate upon Revocation.** Upon revocation or suspension of a retailer's certificate, the retailer must surrender to the Lottery, by a date designated by the Lottery, the certificate and all other Lottery property. ( )

**10. Certified Retailers.** All Lottery retailers must be certified in the manner provided in these rules. Retailers are required to abide by all applicable laws and administrative rules, the terms and conditions of the contract and certificate, and all other directives and instructions issued by the Lottery. ( )

**11. Requirements for the Sale of Tickets.** ( )

a. Retailers must be knowledgeable about the Lottery and Lottery products and may be required to take training in the operation of Lottery games. Retailers must make the purchase of tickets convenient to the public. ( )

b. Tickets must be sold at the price designated by the Lottery. Retailers cannot sell tickets for a greater amount than the amount specified by the Lottery. Retailers may sell tickets for a lesser amount for promotional purposes if authorized by the Lottery. ( )

c. No retailer or any employee or member of a retailer shall attempt to identify a winning ticket before sale of the ticket. ( )

d. When a retailer is required by its contract with the Lottery to pay a prize to a winner, the retailer must pay the prize whenever the winner tenders a winning ticket during the retailer's normal business hours at the location designated on the retailer's certificate. ( )

e. Retailers are prohibited from purchasing tickets previously sold by the retailer. ( )

**12. Display of Certificate and Other Materials.** Retailers must display the Lottery certificate in an area visible to the general public wherever tickets are being sold. Retailers must also display point-of-sale material provided by the Lottery in a manner that is readily seen by and available to the public. Retailers may advertise and use or display other appropriate promotional and point-of-sale material. The Lottery may require the removal of objectionable material or the

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discontinuance of objectionable advertising that may have an adverse impact on the Lottery.

( )

**13. Ticket Stamping.** On the back of each scratch ticket sold by a retailer, the retailer must stamp the retailer's name, address, and retailer number in the area provided for retailer identification using the equipment provided by the Lottery.

( )

**14. Dishonored Checks and Electronic Fund Transfers.** Any payment made to the Lottery by an applicant for a certificate or by a certificated retailer either by a check that is dishonored or by an electronic funds transfer (EFT) that is not paid by the depository, is grounds for immediate denial of the application for a certificate or for suspension or revocation of an existing certificate. The Lottery may assess a surcharge of ten dollars (\$10) for each dishonored check or EFT. The Lottery may also alter the payment terms of a retailer's certificate and require a retailer to reimburse the Lottery for costs that occur as a result of a dishonored check or EFT.

( )

**15. Retailer Identification Card.** The Lottery may issue to each retailer an identification card which must be presented by its authorized representative when taking delivery of tickets. If the identification card is lost or otherwise misplaced or mutilated, the retailer must immediately notify the State Lottery.

( )

**16. Inspection of Lottery Materials and Retailer Premises.** Retailers must allow the Lottery to enter upon the retailer's certificated premises in order to inspect Lottery materials, tickets, and the premises. All books and records pertaining to the retailer's Lottery activities must be available to the Lottery for inspection and copying during the normal business hours of the retailer and between 8 a.m. and 5 p.m., Monday through Friday. All books and records pertaining to the retailer's Lottery activities are subject to seizure by the Lottery without prior notice.

( )

## 202. GENERAL INSTANT TICKET GAME OPERATING RULES (RULE 202).

**01. Instant Games -- Authorized -- Director's Authority.** The Commission hereby authorizes instant games that meet the criteria set forth in these rules. The Director is hereby authorized to select, operate, and contract relating to and for the operation of instant games that meet the criteria set forth in these rules.

( )

**02. Definitions.** As used in Rule 202 these terms have the following definitions:

( )

**a.** Instant Ticket Validation Bar Code. The bar code that enables retailers to validate instant tickets.

( )

**b.** ITA System. The Instant Ticket Automation system that validates winning instant tickets.

( )

**c.** Pack. A package of instant game tickets with a designated number of tickets that may be (but do not have to be) fanfolded and attached to each other by perforations, which perforations the retailer tears when selling a ticket, and that are packaged in plastic shrink-

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wrapping, foil or some similar outer wrapping material. ( )

d. Pack-Ticket Number. The number printed on the ticket. A game identification number must be included in the book-ticket number. ( )

e. Play Symbol Caption. The small printed material appearing below each play symbol which repeats or explains the play symbol. One (1) and only one (1) play symbol captions appears under each play symbol. ( )

f. Play Symbols. Figures printed in approved ink that appear under each of the rub-off spots on the front of the ticket. ( )

g. Retailer Validation Code. The small letters found under the removable rub-off covering over the play symbols on the front of the ticket, which the ticket retailer uses to verify winners of twenty-five dollars (\$25) or less. The letters appear in varying locations beneath the removable rub-off covering and among the play symbols. ( )

h. Ticket. An Idaho instant game ticket. ( )

i. Ticket Validation Number. The unique number on the front of the ticket. ( )

**03. Sale of Tickets.** ( )

a. No person other than a retailer under a contract for the sale of tickets with the Lottery may sell Lottery tickets, except that nothing in this section shall be construed to prevent a person who may lawfully purchase tickets from making a gift of Lottery tickets to another. ( )

b. Unless authorized by the Lottery, tickets may not be sold at a location other than the address listed on the retailer's contract with the Lottery. ( )

c. Nothing in this section shall be construed to prohibit the Commission from designating certain of its agents and employees to sell Lottery tickets directly to the public. ( )

**04. Retailer Compensation.** ( )

a. The compensation paid to Lottery retailers will be five percent (5%) of the retail price of the tickets or shares. ( )

b. The Director may pay instant ticket retailers a commission of up to one percent (1%) of the tickets sold by the retailer as a bonus to the retailer. The Director may pay Lottery game retailers an additional one percent (1%) incentive bonus based on attainment of sales volume or other objectives specified by the Director for a Lottery game. ( )

**05. Instant Games Ticket Price.** The price of an instant game ticket will be set by the Director. No person may sell a ticket at a price other than that established in accordance with these rules. ( )

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**06. Prize Structures.** The Director will provide to all Lottery game retailers a detailed tabulation of the estimated number of prizes of each particular prize denomination that are expected to be awarded in each Lottery game and a close approximation of the odds of winning the prizes. ( )

**07. Number and Value of Instant Ticket Prizes.** Lottery game prize structures, odds of winning, number of tickets, number and value of prizes, play symbol and captions used for validation will not be adopted by administrative rules. Rather, the Director will submit proposed games to the Commission, who must approve each game's general format before the initiation of each game. All instant games must be conducted in accordance with the rules of the Commission. ( )

**08. Official Start of Game.** ( )

**a.** Games with a prize structure adopted by the Commission pursuant to Subsection 202.07 of this rule may be started at a time selected by the Director. The Director will publicly announce the starting date of a new game by use of a press release or any other appropriate means. The Director may also issue game information that includes a description of the game, odds of winning a prize, the number and value of prizes, and the play symbols and captions used for prize validation. ( )

**b.** Games using a prize structure other than a prize structure previously approved by the Commission must be approved by the Commission before game tickets can be sold to the public. ( )

**09. Determination of Winners.** ( )

**a.** Winners of an instant game are determined by the matching or specified alignment of the play symbols on the tickets. The play symbols are revealed by scratching or rubbing off the latex or similar secure material that covers spots on the ticket. The ticket bearer must notify the retailer or the Lottery of the win and submit the winning ticket to the retailer or the Lottery as provided in these rules. The winning ticket must be validated by the Lottery through use of the validation number or by any other means specified by the Director. ( )

**b.** Unless otherwise provided by game rules, only the highest instant prize amount will be paid on a given ticket. ( )

**c.** No portion of the play symbol captions, retailer validation codes, display printing nor any extraneous matter whatever will be usable or playable as a part of the instant game. ( )

**d.** The ticket validation number or any portion thereof is not a play spot and is not usable or playable as such. ( )

**e.** In all Lottery games, the determination of prize winners is subject to the general ticket validation requirements set forth in Subsections 200.14 et seq., and Subsection 202.11 of this rule, and the requirements set out on the back of each instant game ticket. ( )

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f. The length of operation of an instant game will be determined by the Director. The start date and closing date of the instant game will be publicly announced. ( )

**10. Payment of Prizes.** The procedures for claiming instant ticket prizes are as follows: ( )

a. Instant ticket prizes of six hundred dollars (\$600) or less may be claimed by one (1) of the following methods: ( )

i. The claimant may present the winning ticket to any Lottery retailer. The retailer must verify the claim and, if acceptable, make payment of the amount due the claimant. A retailer may pay prizes in cash or by business check, or money order, or any combination thereof. A retailer that pays a prize with a check that is dishonored may be subject to suspension or termination of the retailer's contract. ( )

ii. If the retailer cannot verify the claim, the claimant must fill out a claim form, which the retailer must present the completed form and the disputed ticket to the Director. If the claim is validated by the Director, a check will be forwarded to the claimant in payment of the amount due. If the claim is not validated by the Director, the claim will be denied and the claimant shall be promptly notified. ( )

iii. The claimant may bring the ticket to the Boise Lottery office or complete a claim form and mail it with the ticket to the Idaho State Lottery, P.O. Box 6537, Boise, Idaho 83707-6537 (registered mail recommended). Claim forms may be obtained from any Lottery game retailer or from the Lottery at the following address: 1199 Shoreline Lane, Suite 100, Boise, Idaho 83702. ( )

b. To claim an instant prize of six hundred dollars (\$600) or more, the claimant must either bring the winning ticket to the Boise Lottery Office or complete a claim form and mail the completed form together with the winning ticket to the Idaho State Lottery, P.O. Box 6537, Boise, Idaho 83707-6537 (registered mail recommended). ( )

c. Prizes of six hundred dollars (\$600) or more can be paid only from the Boise Lottery Office. Upon validation by the Director, a check will be forwarded to the claimant in payment of the amount due, less any applicable federal income tax withholding. ( )

d. Any ticket not passing all the validation checks is void and ineligible for any prize and will not be paid. However, the Director may, solely at the Director's option, replace an invalid ticket with an unplayed ticket (or ticket of equivalent sales price from any other current game). If a defective ticket is purchased, the only responsibility or liability of the Lottery is the replacement of the defective ticket with another unplayed ticket (or ticket of equivalent sale price from any other current game). ( )

e. All prizes must be paid within a reasonable time after they are awarded and after the claims are verified by the Director. For each prize requiring annual payments, all payments after the first payment will be made on the anniversary date of the first payment in accordance with the type of prize awarded. The Director may, at any time, delay any payment in order to review a change of circumstances concerning the prize awarded, the payee, the claim, or any other

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matter that may have come to his or her attention. All delayed payments will be brought up to date immediately upon the Director's confirmation and continue to be paid on each original anniversary date thereafter. ( )

**11. Ticket Validation Requirements.** In addition to meeting all of the other requirements in these rules or as may be printed on the back of each instant game ticket, the following validation requirements apply with regard to instant game tickets: ( )

- a. To be a valid instant game ticket, all of the following requirements must be met: ( )
  - i. The ticket must have been issued by the Director in an authorized manner. ( )
  - ii. The ticket must not be altered, unreadable, or tampered with in any manner. ( )
  - iii. The ticket must not be counterfeit in whole or in part. ( )
  - iv. The ticket must not be stolen nor appear on any list of omitted tickets on file with the Lottery. ( )
  - v. The ticket must be complete and not blank (or partially blank), miscut, misregistered, defective, or printed or produced in error. ( )
  - vi. Under the opaque covered play area, the ticket must have play symbols and the correct corresponding captions, exactly one (1) pack-ticket number, exactly one (1) agent verification code, and exactly one (1) validation number as required by each approved set of game rules, all of which must be present in their entirety, legible, right-side up, and not reversed in any manner. ( )
  - vii. The validation number of an apparent winning ticket must appear on the Lottery's official list of validation numbers of winning tickets; and a ticket with that validation number cannot have been previously paid. ( )
  - viii. The ticket must pass all additional confidential validation requirements established by the Director. ( )
  - ix. If the prize is for six hundred dollars (\$600) or more, the ticket must be signed. ( )
- b. Any ticket not passing all the validation checks in Paragraph 202.11.a. of this rule is void and ineligible for any prize and shall not be paid. However, the Director may, solely at the Director's option, replace an invalid ticket with an unplayed ticket (or tickets of equivalent sales price) from any other current Lottery game. If a defective ticket is purchased, the only responsibility or liability of the Lottery will be the replacement of the defective ticket with another unplayed ticket (or ticket of equivalent sales price from any other current Lottery game). ( )
- c. The Director may authorize reconstruction of an alleged winning ticket that was

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not received and/or cannot be located by the Lottery, provided, the person requesting reconstruction must submit to the Lottery sufficient evidence to enable reconstruction and must submit a claim for the prize, if any, for that ticket. If the reconstructed ticket is a winning ticket and meets the validation requirements of Paragraph 202.11.a. of this rule and any specific validation requirements contained in the rules for its specific game, the Director may authorize payment of the prize. Provided, the ticket will not be validated nor the prize paid before the one hundred eighty-first (181) day following the official end of that instant game. A ticket(s) validated pursuant to Subsection 202.11 will not entitle the claimant to be entered into the grand prize drawing, if any, for that or any subsequent instant game. ( )

**12. Prize Rights Unassignable.** No person's right to a prize already drawn is assignable, except that payment of any prize already drawn may be paid to the estate of a deceased prize winner, and a person other than the prize winner may be paid the prize to which the winner is entitled as provided by court order. The Director will be discharged of all liability upon payment of a prize pursuant to this rule. ( )

**13. Payment of Prizes to Persons Under Eighteen Years of Age.** If a person entitled to a prize for a winning ticket is under the age of eighteen (18) years, the Director may direct payment of the prize to an adult member of the minor's family or to the minor's guardian by a check or draft payable to the adult member of the minor's family or the minor's guardian. The adult member of the minor's family or the minor's guardian will have the same duties and powers as a person designated as a custodian in accordance with Idaho law. For purposes of Subsection 202.13, the terms "adult member of a minor's family" and "guardian of a minor" have the same meaning as in the Idaho Gifts to Minors Law. The Director will be discharged of all liability upon payment of a prize to a minor pursuant to this rule. ( )

**14. Prizes Payable After Death or Disability of Owner.** ( )

**a.** All prizes, and portions of prizes that remain unpaid at the time of the prize winner's death will be payable to the personal representative of the prize winner's estate once satisfactory evidence of the personal representative's appointment has been provided, and the Director is satisfied that payment to the personal representative is lawful and proper. The Director may rely on a certified copy of a court order appointing of a personal representative (or similar person responsible for the prize winner's estate, whether denominated an administrator, executor, executrix, or other representative of the prize winner's estate) or may petition the court to determine the proper payee. Payment to the personal representative of the estate of the deceased owner of any prize winnings will absolve the Director and the Lottery's employees of any further liability for payment of prize winnings. ( )

**b.** The Lottery may petition any court of competent jurisdiction for a determination of the rightful payee for the payment of any prize winnings that are or may become due to a person under a disability including, but not limited to, minority, mental deficiency, or physical or mental incapacity. ( )

**15. Governing Law.** In purchasing a ticket, the customer agrees to comply with, and abide by, Idaho law, and all rules and final decisions of the Lottery, and all procedures and instructions established by the Lottery or the Director for the conduct of the game. ( )



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**16. Discharge of All Liability upon Payment.** The State of Idaho, its agents, officers, employees, and representatives, the Lottery, its Director, agents, officers, employees and representatives, will be discharged of all liability upon payment of a prize or any one (1) installment thereof to the holder of any winning Lottery ticket or in accordance with the information set forth on the claim form supplied by the Director. If there is a conflict between the information on a winning Lottery ticket and the information on the claim form, the Lottery may rely on the claim form after the ticket for which it has been filed has been validated as a winning ticket and, in so doing, it will be relieved of all responsibility and liability in the payment of a prize in accordance with the information set forth therein. The Lottery's decisions and judgments in respect to the determination of a winning ticket or of any other dispute arising from payment or awarding of prizes are final and binding upon all participants in the Lottery unless otherwise provided by law or these rules. If a question arises concerning the winning ticket, a claim form, the payment, or the awarding of any prize, the Lottery may deposit the prize winnings into an escrow fund until it determines the controversy and reaches a decision, or it may petition a court of competent jurisdiction for instructions and a resolution of the controversy. ( )

**17. Unclaimed Prize Money.** Any prize not claimed within the specified period will be forfeited and placed into the State Lottery Account. ( )

**18. Disclosure.** The Lottery may use the names, addresses, and photographs of winners in any Lottery promotional or publicity campaign. The address used will not contain the winner's street or house number without the winner's consent. The Lottery may condition payment of the prize upon agreement to these terms and conditions. ( )

**19. Confidentiality of Tickets.** All retailers and their employees and agents are prohibited from attempting to ascertain the numbers or symbols appearing in the designated areas under the removable latex or similar secure coverings or otherwise attempting to identify winning tickets. ( )

**20. Official End of Game.** ( )

**a.** The official end of an instant game will be announced by the Lottery. Prizes may be claimed up to one hundred eighty (180) days after the official end of the game. If the final day of the claim period falls on a Saturday, Sunday or a State holiday, the claim period will be extended to the end of the next business day. A player may submit a winning ticket claim for prize payment up to one hundred eighty (180) days after the official end of the game. Depending on the prize amount, the ticket should be submitted to the location specified in Subsection 202.10 of this rule, "Payment of Prizes." To participate in one (1) of the Lottery's special drawings, if any, a player must redeem a ticket that qualifies for entry into that special drawing within the time limits specified by the Director. ( )

**b.** A retailer must return to the Lottery all unsold Lottery tickets for each game within ninety (90) days of the official end of that game in order to receive credit from the Lottery as provided in retailer's contract. The Lottery has no obligation to grant credit for tickets returned after the time limit specified in the contract. ( )

**203. RULES FOR STATE LOTTERY'S TELEVISION GAME SHOW (RULE 203).**

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**01. Purpose.** This rule sets forth the general guidelines for the conduct of a Lottery television game show. These rules are adopted by the Commission for prospective application. ( )

**02. Player Entry.** ( )

**a.** A player who purchases and claims an instant ticket with the correct and approved number of symbols for eligibility to the television game show, each with the correct caption below it, automatically becomes eligible for entry to the television game show. ( )

**b.** The player wishing to enter the television game show must follow the directions for submitting the winning ticket to the Lottery contained on the back of the ticket, including providing all identification materials required. ( )

**c.** A winning television game show ticket can be redeemed only at the Boise Lottery office, either in person or by mail (registered mail recommended). ( )

**d.** Upon validation of a winning ticket, the player will receive any prize provided by the particular game rules. Arrangements for participation in the television game show may be made by the Lottery staff. ( )

**e.** After a player has claimed his or her prize, a Lottery representative will contact the player to schedule the player's appearance on the game show. The Director will determine the total number of players per show and on which game show a player will appear. ( )

**f.** From the total number of players scheduled to appear on a show, a number of contestants will be selected at random to participate in the television game. The remaining players will make up the game show audience. ( )

**03. Appointment of a Proxy.** ( )

**a.** Upon approval of the Director, a player may select a proxy to appear on the player's behalf at the game show. ( )

**b.** If a player is unable or fails to show at the scheduled date and time for appearance on the game show, the Director reserves the right to appoint a proxy to appear on the show on behalf of the player. ( )

**c.** If a player appears at the location for the game show under the influence of intoxicants, or is a player whom the Director deems inappropriate, the Director reserves the right to appoint a proxy to appear on the show on behalf of the player. ( )

**d.** A proxy will not be entitled to any prizes won on behalf of a player. ( )

**04. Description of Game.** The television game show format will be determined by the Director and approved by the Commission and is played through the use of an approved game mechanism. ( )

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**05. Playing Rules.** ( )

**a.** The television game show rules will be determined by the Director. In general, the game is played by five (5) contestants for a certain number of play rounds. The first round starts with the first contestant drawn from the audience; the second round starts with the second player drawn; and so forth. ( )

**b.** During each play round, each of the contestants has an opportunity to play the game. Each contestant plays a game round within a period of time determined by the Director. ( )

**c.** After the completion of all play rounds, the contestant with the most money in his/her bank earns the right to play for the grand prize. If two (2) or more contestants end with the same amount of money as the most money won after all play rounds, these contestants play a tie breaker round. ( )

**06. Grand Prize Round.** ( )

**a.** The contestant who has accumulated the most money will be given the opportunity to win additional prize money. The Director will determine the actual game show mechanism to be used to provide the contestant the opportunity to win the grand prize. ( )

**b.** Regardless of the choices and the outcome of those choices made during the grand prize round, the contestant shall receive the money accumulated in his/her bank prior to the grand prize round. ( )

**07. Audience Participation.** ( )

**a.** The players in the audience will divide equally an amount that is identical to the total of all the money in the contestants' banks. Any money won in the grand prize round is not added to the contestants' banks for the purpose of calculating the audience prizes. Notwithstanding the total value of the money in the contestants' banks, each player in the audience is guaranteed to receive a prize. Any cash prize amount awarded to players in the audience will be rounded up to the nearest five dollars (\$5). ( )

**b.** Each of the game contestants is guaranteed to win at least the same amount of money as each member of the player audience. ( )

**08. Prize Reserve.** Funding for the television game show prizes will come from a prize reserve established for this purpose. The following moneys will be credited to this reserve: ( )

**a.** One percent (1%) of instant ticket sales; ( )

**b.** The prize share of interest income and other nonticket distributable income;( )

**c.** Three percent (3%) of Lotto sales up to a weekly amount of fifty thousand dollars (\$50,000). ( )

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**09. Television Game Show Home Play.** To be eligible for entry into the Lottery's "Home Play" drawing an entrant must: ( )

**a.** Be eligible to win a prize pursuant to the statutes and rules governing the operation of the Lottery. ( )

**b.** Collect five (5) valid non-winning instant game tickets. A valid non-winning ticket is a ticket which meets all the requirements of these rules but which does not otherwise qualify for any other prize established by the Lottery's administrative rules. ( )

**c.** Complete the back of at least one (1) of the five (5) ticket with the entrant's name, address, and telephone number. An entry containing more than one (1) name will be disqualified. ( )

**d.** Place the five (5) tickets in a plain white envelope no larger than four and one-eighth by nine and one-half inches (4-1/8" x 9-1/2"). An envelope which contains extraneous material, or which has had the exterior altered for the apparent sole purpose of making the envelope more prominent, will be disqualified. ( )

**e.** Mail the envelope with proper postage to the P.O. Box designated by the Director. ( )

**f.** There is no limit to the number of entries a person may submit, but each entry must be submitted in a separate envelope and both the entry and the entrant of each must meet the qualifications set forth above. ( )

**g.** Entries must be received by 5:00 p.m. on the day before the preliminary drawing to be eligible to participate in that week's drawing. The Director will establish the date of the preliminary drawing. Entries received after the deadline will be entitled to participation in the next home play drawing. The Director reserves the right to place an entry which was entitled to, but which was not entered into a drawing, into a subsequent preliminary drawing. ( )

**h.** A non-conforming entry or an entry which contains one (1) or more stolen tickets will be disqualified by the Director. ( )

**i.** The Lottery will not be responsible for any other material, including winning tickets, mailed or delivered to the home play drawing. All mail becomes the property of the Lottery and will not be returned. All entries not drawn will be destroyed without being opened on the day of the preliminary drawing. ( )

**j.** The Director will establish and approve the procedures for the selection of entrants into the weekly drawing. The drawing will be open to the public and be witnessed by an independent certified public accountant. ( )

**k.** The Director will determine the number of entries drawn each week who will become home play contestants. Each Home Play contestant will be matched with an on-air contestant. ( )

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**l.** The Director will determine the number of entries drawn each week who will become players on a future Money Game television show. ( )

**m.** The odds of being drawn as a home play contestant or future Television Game Show player depend on the number of entries received by the Lottery each week. ( )

**n.** Notwithstanding the requirements of this rule, the Director reserves the right to waive minor informalities. The determination of what constitutes an informality shall reside solely with the Director. ( )

### **204. ON-LINE COMPUTER GAMES (RULE 204).**

**01. On-Line Games -- Authorized -- Director's Authority.** The Commission hereby authorizes the Director to select and operate on-line games which meet the criteria set forth in these rules. ( )

**02. Definitions.** As used in Rule 204 these terms have the following definitions: ( )

**a.** "Drawing." The procedure determined by the Director by which the Lottery selects the winning combination in accordance with the rules of the game. Drawings are open to the public, and are required to be witnessed by an independent certified public accountant. The equipment used in any drawing must be inspected by the independent certified public accountant and the Director of Security or his designee both before and after the drawing. All drawings and inspections are required to be recorded on both video and audio tape. ( )

**b.** "On-line Game." A Lottery game in which a player selects a combination of numbers or symbols, the type of game and amount of play, and the drawing date(s) by use of a computer. In return for paying the appropriate fee, the player receives a computer-generated ticket with the player's selection printed on it. Each ticket bearer whose valid ticket includes a winning combination will be entitled to a prize if claim is submitted within the specified time period. ( )

**c.** "On-line Retailer." A person or business authorized by the Lottery to sell on-line tickets. ( )

**d.** "On-line Terminal (OLT)." The computer hardware by which an on-line retailer or player enters the combination selected by the player and by which on-line tickets are generated and claims are validated. ( )

**e.** "On-line Ticket." A computer-generated ticket issued by an on-line terminal to a player as a receipt for the combination a player has selected. That ticket is the only acceptable evidence of the combination of numbers or symbols selected. ( )

**f.** "Ticket Bearer." The person who has signed the on-line ticket or who has possession of an unsigned ticket. ( )

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g. “Validation.” The process of determining whether an on-line ticket presented for payment is a winning ticket. ( )

h. “Winning Combination.” One (1) or more numbers or symbols randomly selected by the State Lottery or its designee in a public drawing. ( )

#### 03. Distribution of Tickets. ( )

a. Tickets will be sold by retailers selected by the Director. ( )

b. The Director is authorized to arrange for the distribution of OLTs, player-activated terminals (PATs), ticket stock, and supplies to certificated retailers. ( )

#### 04. Sale of Tickets. ( )

a. No person other than a retailer under a contract for the sale of tickets with the Lottery may sell on-line Lottery tickets, except that nothing in this section will be construed to prevent a person who may lawfully purchase tickets from making a gift of Lottery tickets to another. ( )

b. Tickets may not be sold at a location other than the address listed on the retailer’s contract with the Lottery. ( )

c. Nothing in this section shall be construed to prohibit the Director from designating certain of its agents and employees to sell Lottery tickets directly to the public. ( )

#### 05. On-Line Games Criteria. ( )

a. The base price of an on-line ticket will not be less than fifty cents (\$.50), except to the extent of discounts authorized by the Commission. ( )

b. The price for a ticket in any particular on-line game will be set out in the game rules adopted by the Commission for that game. No person may sell a ticket at a price other than that established in accordance with these rules. On the average, the total of all prizes available to be won in an on-line game shall not be less than forty-five percent (45%) of the on-line game’s projected revenue. ( )

c. The manner and frequency of drawings may vary with the type of on-line game. ( )

d. The times, locations, and drawing procedures will be determined by the Director. ( )

e. A ticket bearer entitled to a prize must submit the winning ticket as specified by the Director. The winning ticket must be validated by the Lottery or an on-line retailer through use of the validation number and any other means specified by the Director. ( )

#### 06. Payment of Prizes. ( )

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a. To claim an on-line game prize of less than six hundred dollars (\$600) the claimant may present the winning on-line ticket to any on-line retailer, or to the Boise Lottery Office:

( )

i. If the claim is presented to an on-line retailer, the on-line retailer must validate the claim and, if determined to be a winning ticket, pay the amount due the claimant. If the on-line retailer cannot validate the claim, the claimant may obtain and complete a claim form and submit it with the disputed ticket to the Lottery by mail or in person. Upon determination that the ticket is a winning ticket, the Lottery will present or mail a check to the claimant in payment of the amount due. If the ticket is determined to be a non winning ticket, the claim will be denied and the claimant will be promptly notified. Non winning tickets will not be returned to the claimant.

( )

ii. If the claim is presented to the Boise Lottery Office, the claimant may be required to complete a claim form and submit it with the winning ticket, either by mail or in person. Upon determination that the ticket is a winning ticket, the Lottery will present or mail a check to the claimant in payment of the amount due, less any withholding required by the Internal Revenue Code. If the ticket is determined to be a non winning ticket, the claim will be denied and the claimant will be promptly notified. Non winning tickets will not be returned to the claimant.

( )

b. To claim an on-line prize of six hundred dollars (\$600) or more, the claimant must obtain and complete a claim form and submit it with the winning ticket to the Boise Lottery Office by mail or in person. Prizes of six hundred dollars (\$600) or more can be paid only from the Boise Lottery Office. Upon determination that the ticket is a winning ticket, the Lottery will present or mail a check to the claimant in payment of the amount due, less any withholding required by the Internal Revenue Code. The amount due will be calculated according to the rules adopted for the particular on-line game. If the ticket is determined to be a non-winning ticket, the claim will be denied and the claimant will be promptly notified. Non winning tickets will not be returned to the claimant.

( )

c. All prizes must be claimed within one hundred eighty (180) days from the drawing in which the prize was won. If the final day of the one hundred eighty (180) day period falls on a Saturday, Sunday or a State holiday, the claim period will be extended to the end of the next business day. Any prize not claimed within the specified period will be forfeited and placed into the State Lottery account.

( )

#### 07. Drawings and End of Sales Prior to Drawings.

( )

a. Drawings will be conducted in a location and at days and times designated by the Director.

( )

b. For each type of on-line game, the Director will establish a time before the drawing for the end of sales.

( )

c. The Director will designate a Drawing Manager who will oversee each drawing. The Drawing Manager must attest that the drawing was conducted in accordance with proper

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drawing procedures at the end of each drawing. ( )

**d.** The Director will designate the type of equipment to be used and will establish procedures to randomly select the winning combination for each type of on-line game. Drawing procedures will include provisions for the substitution of backup drawing equipment if the primary drawing equipment malfunctions or fails for any reason. ( )

**e.** The equipment used to determine the winning combination will not be electronically or otherwise connected to the central computer or to any tapes, discs, files, etc., generated or produced by the central computer. The equipment must be tested before and after each drawing to assure proper operation and lack of tampering or fraud. Drawings will not be held until all pre-inspection checks are completed. No prizes will be paid until after all post-inspection checks have been completed. ( )

**f.** All drawings will be broadcast live on television, provided the facilities for such broadcasts are available and operational and can be done at a reasonable cost. ( )

**g.** The Director will establish procedures governing the conduct of drawings for each type of on-line game. The procedures must include provisions for deviations that include but are not limited to: ( )

i. Malfunction of the drawing equipment before determination of the winning combination; ( )

ii. Video and/or audio malfunctions during the drawing; ( )

iii. Fouled drawing; ( )

iv. Delayed drawing; and ( )

v. Other equipment, facility and/or personnel difficulties. ( )

**h.** If a deviation occurs, the drawing will be completed under the supervision of the Lottery or its designee. The drawing will be videotaped for later broadcast, if broadcast time is available. The winning combination will be provided to the television network for dissemination to the public. ( )

**i.** If, during any live-broadcast drawing for a game, a mechanical failure or operator error causes an interruption in the selection of all numbers or symbols, a “foul” will be called by the Drawing Manager or the Lottery’s designee. Any number drawn before a “foul” is called will stand and be deemed official after passing inspection and certification by the Drawing Manager or the Lottery’s designee. ( )

**j.** The Director must delay payment of all prizes if any evidence exists or there are grounds for suspicion that tampering or fraud has occurred. Payment will be made after an investigation is completed and the drawing approved by the Drawing Manager or the Lottery’s designee. If the drawing is not approved, it will be void and another drawing will be conducted to determine the actual winner. ( )



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**08. Validation Requirements.** ( )

**a.** To be a valid winning on-line ticket, all of the following conditions must be met: ( )

i. All printing on the ticket must be present in its entirety, be legible, and correspond, using the computer validation file, to the combination and the date printed on the ticket. ( )

ii. The ticket must be intact. ( )

iii. The ticket must not be mutilated, altered, or tampered with in any manner. ( )

iv. The ticket cannot be counterfeit or an exact duplicate of another winning ticket. ( )

v. The ticket must have been issued by an authorized on-line retailer or dispensed by a player-activated terminal in an authorized manner. ( )

vi. The ticket must not have been stolen or cancelled. ( )

vii. The ticket must not have been previously paid. ( )

viii. The ticket must pass all other confidential security checks of the Lottery. ( )

ix. If the prize is for six hundred dollars (\$600) or more, the ticket must be signed. ( )

**b.** A ticket failing any of the validation requirements listed in Paragraph 204.08.a. of this rule is invalid and ineligible for a prize. The final decision on whether a prize is paid will be made by the Director. ( )

**c.** If there is a dispute between the Director and a claimant whether a ticket is a winning ticket, and if the Director determines that the ticket is not valid and a prize is not paid, the Director may replace the disputed ticket with a ticket of equivalent sales price for a future drawing of the same type of game. This will be the sole and exclusive remedy of the claimant. ( )

**d.** If a defective on-line ticket is purchased, the only responsibility or liability of the Lottery or the of on-line retailer is the replacement of the defective on-line ticket with another on-line ticket of equivalent value for a future drawing of the same type of game. ( )

**09. Retailer Duties.** Retailers with an on-line terminal (OLT) must perform the following duties: ( )

**a.** Pay costs associated with providing a telephone line or internet or similar connection that must be located within approximately five (5) feet of the terminal, as specified by

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the Lottery. Payment of the telephone line or internet or similar connection is nonrefundable after installation, except if the Lottery denies, through no fault of retailer, the installation of the on-line terminal. ( )

**b.** Pay the Lottery for the local monthly telephone or internet or similar charges per OLT as specified by the Lottery. The Lottery will pay for the mileage charges (if any) between the retailer's location and the Lottery's central site. ( )

**c.** Hold funds generated from the sale of on-line tickets in trust for the Lottery. At a time specified by the Lottery, the retailer must pay these funds to the Lottery plus the monthly communications charge specified above in Paragraph 204.09.b. of this rule, less: ( )

i. Prizes paid; ( )

ii. Any credit(s); and ( )

iii. The retailer discount. ( )

**d.** Locate the OLT within the retailer's premises at a point-of-sale location approved by the Lottery. The retailer is prohibited from moving an OLT unless the retailer follows the procedures established by the Director, including reimbursing the State Lottery for any telephone or internet or similar charges associated with the change of OLT location if the retailer requested the change. ( )

**e.** Provide dedicated AC power to within approximately five (5) feet of the terminal. Dedicated AC power means that there is no other equipment on the line that is to be used for the on-line terminal. The retailer is responsible for all costs associated with providing dedicated AC power. The Lottery will provide a schematic of outlet requirements to the retailer's electrical contractor. ( )

**f.** Sell all Lottery games, including but not limited to instant game tickets offered by the Lottery. The retailer agrees to continue the sale of instant tickets from all cash registers or other points of purchase. ( )

**g.** Conduct the sale of on-line tickets during all hours and days that the retailer's business is open and the on-line system is functioning. The retailer must post the hours that redemption of winning tickets may take place if these hours are different from the retailer's normal business hours. The retailer must monitor ticket supply levels and give timely notice when any item is in short supply. ( )

**h.** Post winning numbers prominently where tickets are sold as soon as possible following the drawing. ( )

**i.** Provide secure storage for OLT supplies and a secure area for the OLT. ( )

**j.** Exercise due diligence in the operation of the OLT and immediately notify the Lottery and the central computer facility of any telephone line, internet, radio, or OLT malfunction, such as the issuance of invalid on-line Lottery ticket(s), inability to sell or redeem an

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on-line ticket, and non-issuance of an on-line ticket. The retailer is prohibited from performing mechanical or electrical maintenance on the OLT. ( )

**k.** Replace ribbons and on-line or instant ticket stock and clear paper jams as required for the OLT per the instructions provided by the Lottery. ( )

**l.** Pay, without reimbursement, all electricity charges in connection with the operation of OLT. ( )

#### **10. Payment of Prizes by On-Line Retailers.** ( )

**a.** An on-line retailer must pay to the ticket bearer on-line games prizes of less than six hundred dollars (\$600) for any validated claims presented to that on-line retailer. These prizes must be paid during all normal business hours of the on-line retailer, unless redemption hours different from normal business hours have been posted as pursuant to Paragraph 204.09.g. of this rule, provided, that the on-line system is operational and claims can be validated. ( )

**b.** An on-line retailer may pay prizes in cash or by business check, certified check, money order, or any combination thereof. An on-line retailer that pays a prize with a check that is dishonored may be subject to suspension or termination of its contract. ( )

**11. Retailer Compensation.** The compensation paid to on-line Lottery retailers is as follows: ( )

**a.** A discount of five percent (5%) will be applied to on-line tickets sold from a clerk-activated terminal (CAT); ( )

**b.** A discount of five percent (5%) will be applied to on-line tickets sold from a player-activated terminal (PAT); ( )

**c.** The Director may pay Lottery game retailers an additional one percent (1%) incentive bonus based on attainment of sales volume or other objectives specified by the Director for each Lottery game. ( )

#### **12. Retailer Settlement.** ( )

**a.** The Director may require on-line retailers to establish an account for deposit of monies derived from on-line games with a financial institution that has the capability of electronic funds transfer (EFT). ( )

**b.** The amount deposited must be sufficient to cover monies due the Lottery. The Lottery will withdraw by EFT the amount due the Lottery on the day specified by the Director. If the day specified for withdrawal falls on a state holiday, withdrawal may be delayed until the next business day. ( )

**13. Prize Rights Unassignable.** No right of any person to a prize drawn shall be assignable, except that payment of any prize drawn may be paid to the estate of a deceased prize winner, and that any person may be paid the prize to which the winner is entitled pursuant to an

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appropriate judicial order. The Director will be discharged of all liability upon payment of a prize pursuant to this rule. ( )

**14. Payment of Prizes to Persons Under Eighteen Years of Age.** If a person entitled to a prize for a winning ticket is under the age of eighteen (18) years, the Director may direct payment of the prize to an adult member of the minor's family or to the minor's guardian by a check or draft payable to the adult member of the minor's family or to the minor's guardian. The adult member of the minor's family or the minor's guardian will have the same duties and powers as a person designated as a custodian in accordance with Idaho Law. For purposes of Subsection 204.14 the terms "adult member of a minor's family" and "guardian of a minor" have the same meaning as in the Idaho Gifts to Minors Law. The Director will be discharged of all liability upon payment of a prize to a minor pursuant to this rule. ( )

**15. Prizes Payable After Death or Disability of Owner.** ( )

**a.** All prizes, and portions of prizes, that remain unpaid at the time of the prize winner's death will be payable to the personal representative of the prize winner's estate once satisfactory evidence of the personal representative's appointment has been provided, and the Director is satisfied that payment to the personal representative is lawful and proper. The Director may rely on a certified copy of a court order appointing of a personal representative (or similar person responsible for the prize winner's estate, whether denominated an administrator, executor, executrix, or other representative of the prize winner's estate) or may petition the court to determine the proper payee. Payment to the personal representative of the estate of the deceased owner of any prize winnings will absolve the Director and the Lottery's employees of any further liability for payment of prize winnings. ( )

**b.** The Lottery may petition any court of competent jurisdiction for a determination of the rightful payee of any prize winnings that are or may be due to a person under a disability including, but not limited to, minority, mental deficiency, physical or mental incapacity. ( )

**16. Discharge of State Lottery upon Payment.** The State of Idaho, its agents, officers, employees and representatives, the Lottery, its Director, agents, officers, employees and representatives shall be discharged of all liability upon payment of a prize or any one (1) installment thereof to the holder of any winning Lottery ticket or in accordance with the information set forth on the claim form supplied by the Director. If there is a conflict between the information on a winning Lottery ticket and the information on the claim form, the Lottery may rely on the claim form after the ticket for which it has been filed has been validated as a winning ticket and, in so doing, it will be relieved of all responsibility and liability in the payment of a prize in accordance with the information set forth therein. The Lottery's decisions and judgments in respect to the determination of a winning ticket or of any other dispute arising from payment or awarding of prizes will be final and binding upon all participants in the Lottery unless otherwise provided by law or these rules. If a question arises concerning the winning ticket, a claim form, the payment, or the awarding of any prize, the Lottery may deposit the prize winnings into an escrow fund until it determines the controversy and reaches a decision, or it may petition a court of competent jurisdiction for instructions and a resolution of the controversy. ( )

**17. Disclosure.** The Lottery may use the names, addresses, and photographs of winners in any Lottery promotional or publicity campaign. The address used will not contain the

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winner's street or house number without the winner's consent. The Lottery may condition payment of the prize upon agreement to these terms and conditions. ( )

#### **205. BREAKOPEN INSTANT TICKET GAMES (RULE 205).**

The Commission hereby authorizes the Director to select and operate breakopen instant ticket games that meet the criteria set forth in these rules. ( )

##### **01. Definitions.** As used in Rule 205 these terms have the following definitions:

**a.** "Authorized Dispensing Device" means any machine, or mechanism designed for use of vending or dispensing of breakopen instant tickets. These devices may include mechanical, electrical, electro-mechanical or other devices approved by the Director of the Lottery pursuant to Rule 100. ( )

**b.** "Box" means a group of breakopen instant tickets with the same unique serial number. ( )

**c.** "Breakopen Instant Ticket" means a single folded or banded ticket or a card, the face of which is initially covered or otherwise hidden from view to conceal numbers and/or symbols, a few of which numbers or symbols have been designated in advance and at random as prize winners when, for the opportunity to obtain each such folded or banded ticket or card, view the numbers or symbols thereon and possibly obtain a prize, a person pays an established price to a breakopen instant ticket retailer. ( )

**d.** "Breakopen Instant Ticket Game" means a group of breakopen instant ticket boxes with the same thematic design and prize structure. ( )

**e.** "Breakopen Instant Ticket Retailer" means any person who has been approved, certified and contracted with by the Lottery to sell breakopen instant tickets. ( )

**f.** "Breakopen Instant Ticket Vendor" means any person who produces and provides breakopen instant tickets to the Lottery. ( )

**g.** "Distributor" means any person who purchases or otherwise obtains authorized dispensing devices for use in breakopen instant ticket games from any person and sells or otherwise furnishes such device to another person for the resale of or the display or operation of that device. ( )

**i.** As used in these rules, the term "distributor" includes a person who services and repairs authorized dispensing devices, so long as the person performing such servicing or repairs is approved by the distributor or distributor's representative, and makes no addition to, or modification or alteration of, the authorized device. ( )

**ii.** A manufacturer who sells or otherwise furnishes authorized dispensing devices not manufactured by him to any other person for resale or for display or operation of that authorized device is also a "distributor." ( )

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**h.** “Distributor’s Representative” means any individual who represents a distributor in any of the distributor’s activities in connection with the sale or furnishing of authorized dispensing device for use in breakopen instant ticket activities. ( )

**i.** “Flare” means a vendor-provided informational sign that, as a minimum, displays the prize structure, the serial number of the sleeve in play, the odds of winning a prize, and the price of the ticket. ( )

**j.** “Manufacturer” means any person who assembles from raw materials or subparts a completed authorized dispensing device or pieces of the authorized device for use in breakopen instant ticket activities and who sells or otherwise furnishes the same to any distributor or retail outlet. ( )

**k.** “Manufacturer’s representative” means any person who represents a manufacturer in any one of the manufacturer’s activities in connection with the sale or furnishing of authorized dispensing device for use in breakopen instant ticket activities. ( )

**l.** “Sleeve” is a portion of a box; and is the smallest unit offered. ( )

**02. Breakopen Instant Ticket Special Inspection.** The Director or authorized representative shall have the authority to select any breakopen instant ticket sleeve and examine the quality and/or integrity of the breakopen instant ticket sleeve in any manner, including pulling all chances remaining thereon: Provided, that if the sleeve so inspected is thereby altered by such inspection in any manner and no defect, alteration, deceptive condition, or other violation is discovered, then the owner shall be reimbursed by the Lottery at the owner’s cost for the sleeve or portion thereof, and the sleeve shall become the property of the Lottery. Provided further, that for each sleeve inspected which is found to be defective in any area related to a vendor’s quality control deficiency, a fee may be assessed by the Director against the vendor of the breakopen instant ticket. ( )

**03. Breakopen Instant Ticket Operation.** ( )

**a.** No person under the age of eighteen (18) years of age is allowed to play or sell any breakopen instant tickets. It is the responsibility of the retailer to determine that no unauthorized person is allowed to play or sell breakopen instant tickets. ( )

**b.** No retailer is permitted to display or operate any breakopen instant ticket that has in any manner been marked, defaced, tampered with or otherwise placed in a condition, or operated in a manner, that may deceive the public or that affects the chances of winning or losing upon the taking of any chance thereon. ( )

**c.** All records, reports, receipts and any unsold tickets relating to a breakopen instant ticket sleeve must be retained on the retailer’s premises at least ninety (90) days after the sleeve is removed from play and must be made available on demand to representatives of the Idaho Lottery. ( )

**04. Breakopen Instant Ticket Price per Play to be Posted.** No breakopen instant ticket sleeve may be placed for public play unless the cost to the player for each ticket is clearly

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posted on the flare. The price per ticket will be determined by the Director. ( )

**05. Claiming of Prizes.** Prizes must be redeemed on the same day as purchased at the location where the winning ticket was purchased, and prizes will be awarded in cash or by check. ( )

**06. Limitation on Breakopen Instant Ticket Dispensing.** No ticket once placed in an authorized dispensing device out for public play may be removed from the authorized device until the sleeve is permanently removed from public play, except only: ( )

**a.** Those tickets actually played by consumers; ( )

**b.** Those tickets removed by representatives of the Lottery inspecting the device or sleeve; and ( )

**c.** Those tickets temporarily removed during necessary repair or maintenance of the device. Excepting only tickets removed under parts 06.b and 06.c of this rule, once a ticket has been removed from public play it cannot again be put out for public play. ( )

**07. All Devices Must Comply with Requirements.** No retailer may display or put out for play, and no distributor or manufacturer or their representatives may sell or otherwise furnish any device for the dispensing of breakopen instant tickets, unless the device is approved for use by the Director, thereby making it an authorized device. ( )

**a.** No person may sell or transfer to another person in this state or for use within this state, nor shall place out for public play, any device for the dispensing of breakopen instant tickets that is not constructed to allow a consumer to clearly see each ticket within the device before playing the device. ( )

**b.** No person may put out for public play any device for the dispensing of breakopen instant tickets that is not constructed to provide for at least one (1) sleeve in play in the device. ( )

**c.** No person may put out for public play any device for the dispensing of breakopen instant tickets that is designed, used, or constructed, in a manner that detracts from the breakopen instant tickets or that is deceptive in any way, as determined by the Director. ( )

**08. Breakopen Instant Ticket Series Assembly and Packaging.** Vendors of breakopen instant ticket games must manufacture, assemble and package each game sleeve in a manner that none of the winning tickets, nor the location or approximate location of any of the winning tickets, can be determined in advance of opening the tickets. All breakopen instant ticket games must be approved and will be distributed and sold exclusively by the Lottery. The Lottery may adopt quality control standards for the manufacture of breakopen instant ticket games. ( )

**09. Standards for Flares.** The flare advertising prizes available from the operation of any sleeve of breakopen instant tickets must: ( )

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a. Be placed near or upon the upper face, or on the top, of any authorized device used to dispense breakopen instant tickets in a manner clearly visible to the public; and ( )

b. Clearly set out each of the prizes available and the combination of numbers or symbols which win prizes. Each flare describing the prizes and winning number or symbols for a sleeve of breakopen instant tickets in play must clearly set out the sleeve number assigned to that sleeve by the vendor. The sleeve number will be placed upon the flare by the vendor. The total number of tickets originally in the sleeve will be placed upon the flare by the vendor. ( )

**10. Prize Structure.** The Director will establish a prize structure detailing the estimated number of prizes that are expected to be awarded in each sleeve and a close approximation of the odds of winning such prizes. ( )

**11. Retailers Eligible to Sell Breakopen Tickets.** Any person interested in obtaining a contract for a certificate to sell Lottery tickets must file an application on forms provided by the Director. The forms shall include, but are not limited to, requiring an applicant's personal, financial, and criminal history, and an authorization to investigate the applicant's criminal and credit history. ( )

**12. Retailer Application and Fee.** All applications to sell breakopen instant tickets must be accompanied by a nonrefundable fee of twenty-five dollars (\$25). If a certificate is awarded to sell only breakopen instant tickets, no additional certificate fee must be paid. ( )

**13. Certificate Modification.** ( )

a. Certified instant ticket retailers may apply for a certificate modification to allow for the sale of breakopen instant tickets. A current instant ticket retailer will be required to complete an additional application or application supplements. If a current instant ticket retailer requests that the existing certificate be modified to allow for the sale of breakopen instant tickets, no additional application fee will be charged upon approval. ( )

b. Certified breakopen instant ticket retailers may apply for a certificate modification to allow for the sale of instant tickets. A current breakopen instant ticket retailer will be required to complete an additional application or application supplements. If a current breakopen instant ticket retailer requests that the existing certificate be modified to allow for the sale of instant tickets, an additional certificate fee of one hundred dollars (\$100) will be charged upon approval. ( )

**14. Retailer Compensation.** ( )

a. The compensation paid to Lottery retailers will be five percent (5%) of the retail price of the breakopen instant tickets. ( )

b. The Director may pay Lottery game retailers an additional one percent (1%) incentive bonus based on attainment of sales volume or other objectives specified by the Director for each Lottery game. ( )

**206. -- 999. (RESERVED).**